

COMPTROLLER

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HEADQUARTERS
UNITED STATES EUROPEAN COMMAND
APO 09128-4209

DIRECTIVE
NUMBER 50-2

COMPTROLLER

Administration and Control of Financial Resources

1. Summary. To provide policy and procedures for administering and managing financial resources. This Directive provides procedures, documentation, and forms for distributing, controlling, and obtaining funds.

a. This Directive will help fund recipients administer and control funds, conduct operations within resource availability, prevent overobligation of funds, maintain the financial records necessary for fund control, and obtain additional resources.

b. This Directive identifies the following objectives of the HQ USEUCOM financial control system.

(1) Uniform reporting of financial resources.

(2) Uniform procedures and terminology for distribution and control of financial resources.

(3) Clear assignment of fund control responsibility.

(4) Uniform procedures for using standard automated data processing (ADP) systems to control financial resources.

(5) Uniform procedures to obtain additional resources through programming and budgeting processes.

c. This Directive also establishes minimum non-appropriated fund control and administrative procedures for morale, welfare, and

recreation (MWR) activities funded by USEUCOM component commands or private revenue generating activities.

2. Applicability. This Directive is applicable to directorates/staff offices and all Headquarters, U.S. European Command (HQ USEUCOM) field elements (hereafter referred to collectively as HQ USEUCOM Activities), 266th Finance Command (266th TFC), Defense Accounting and Finance Service, Denver, Deputate for Security Assistance (DFAS-DE/I), Director of Logistics (6th ASG-DOL), and other elements responsible for administering HQ USEUCOM financial resources. This Directive applies to direct and reimbursable funds made available to/by HQ USEUCOM Activities. The following appropriations and funds are included:

a. Operation and Maintenance, Army (OMA).

b. Security Assistance (SA).

c. Foreign Military Financing (FMF).

d. CINC Initiative Funds (CIF).

e. Command and Control Initiative Program (C2IP) Funds (RDTE, Procurement, O&M).

f. Other Procurement Army (OPA).

g. Title 10 Program (OMA).

This Directive supersedes ED 50-2, dated 20 Apr 91.

h. JCS Exercise Funds (OMA).

i. Limitation .0012 (OMA), Miscellaneous Expenses (Representation).

j. Limitation .0017 (OMA), Extraordinary Military Expenses, Administration, and Control.

k. All other appropriations and funds made available to HQ USEUCOM Activities.

3. Internal Control Systems. This Directive contains internal control provisions and is subject to the internal management program. For HQ USEUCOM and subordinate activities, the applicable internal control directive is ED 50-8, Internal Management Control Program.

4. Suggested Improvements. Procedures prescribed in this Directive will not be changed without approval by USCINCEUR, Vaihingen GE, ATTN: ECCM-B.

5. References. See Appendix A.

6. Explanation of Terms. See Appendix B.

7. Responsibilities.

a. HQ USEUCOM Comptroller will:

(1) Obtain, in writing, delegation of authority from the Deputy Commander in Chief, Europe (DCINCEUR), to issue fund certification authority (FCA).

(2) Issue FCA to persons either by name or by position statement, provided the persons are readily identifiable. Sample appointment letter is provided in Appendix C.

(3) Receive Fund Authorization Document (FAD), Annual Funding Program (AFP), and cumulative obligation allocation from Headquarters, Department of the

Army (HQ DA) and Defense Security Assistance Agency (DSAA).

(4) Advise HQ USEUCOM Activities of fund availability for direct funded and reimbursable support programs.

(5) Maintain fund distribution system which indicates current status of annual funding programs (AFP), quarterly fund allotments (obligation targets), funded reimbursement programs, specific fund limitations, and special activities.

(6) Distribute funds in accordance with SM 50-2, Program Budget Advisory Committees (PBAC), except SA funds which will be distributed in accordance with the SA Program Director.

(7) Provide financial/resource management guidance and oversight to HQ USEUCOM Activities.

(8) Monitor execution of current year funds based on approved monthly spending plans and budget execution procedures implemented by the HQ USEUCOM Comptroller in accordance with SM 50-2 and HQ USEUCOM Chief of Staff approved procedures.

(9) Monitor status and management of prior year funds and unliquidated obligations for both prior year and current year funds.

(10) Provide guidance and procedures for submission of HQ USEUCOM programming and budgeting documents in coordination with applicable program managers.

b. HQ USEUCOM Activities will:

(1) Establish and maintain fund control procedures in accordance with this Directive to preclude overdistribution or overobligation of available funds.

(2) Ensure fund certification and commitment occur before obligation. Fund certification authority must be authorized in writing by the HQ USEUCOM Comptroller or by officials in positions listed in Appendix C. Fund certifying officials (FCO) will not redelegate FCA unless expressly authorized in writing.

(3) Instruct subordinate officials not to issue orders or take action that could require expenditure of funds without prior fund certification and authorizations (e.g., contracting officer authority for procurement actions).

(4) Maintain individual resource control ledgers (RCLs) for all funds received, in accordance with this Directive (Appendix D), for each appropriation and fund category subject to limitation or control. The Security Assistance Automated Resource Management System (SAARMS) will be the system used to develop an RCL for the SA appropriation.

(5) Ensure prompt reporting of recordable obligations, review of unliquidated obligations, analysis of STANFINS and other related accounting reports, and the initiation of action to adjust accounting records and RCLs.

(6) Maintain document files IAW AR 25-400-2, Category 37, The Modern Army Recordkeeping System (MARKS).

(7) Submit Activity-approved spending plans to the HQ USEUCOM Comptroller which ensures a balanced program within the available funding levels provided.

(8) Program and budget for additional fund requirements according to procedures established for the annual and multi-year appropriations and Foreign Military Sales (FMS) administrative overhead funds for Security Assistance

Organizations (SAO).

c. 266th TFC, according to DoD Dir 5100.3, AR 37-49, support agreement between HQ USEUCOM and USAREUR and applicable Army finance and accounting regulations will:

(1) Maintain official accounting records for HQ USEUCOM Activities.

(2) Distribute dCAS and standard financial system (STANFINS) reports (electronic and/or hard copy medium) to provide information on the results of operations and status of funds.

(3) Provide technical accounting guidance and support to HQ USEUCOM Activities, consistent with established procedure and management requirements.

(4) Ensure dCAS, Detail Obligation Report (DOR), Non-Stock Fund Orders and Payables (NSFOP) Listing, Accounts Receivable Status Report, and other financial data are complete and current through the end of each reporting period. Reports will be distributed to designated program managers in coordination with the HQ USEUCOM Comptroller. Suspense date for distributing reports (by international mail for required SAO locations) will be not later than the 5th workday following the end of the reporting period.

(5) Provide HQ USEUCOM related reports, as required, to Defense Finance and Accounting Service (DFAS).

(6) Notify HQ USEUCOM Activities of any new or changed operating procedure, policy, or directive affecting finance and accounting operations.

(7) Schedule and conduct quarterly joint reviews with HQ USEUCOM Activities.

d. DFAS-DE, according to DoD Dir 5100.3 and DFAS-IN Regulation 37-1 will:

(1) Maintain official accounting records for all SA Funded HQ USEUCOM Activities.

(2) Distribute SAARMS and applicable accounting reports (electronic and/or hard copy medium) to provide information on the results of operations and status of funds.

(3) Provide technical accounting guidance and support to SA funded HQ USEUCOM Activities, consistent with established procedures and management requirements.

(4) Ensure that SAARMS and related financial data are complete and current through the end of each reporting period. Reports will be distributed at the direction of the HQ USEUCOM Comptroller.

(5) Notify HQ USEUCOM of any new or changed operating procedure, policy, or directive affecting finance and accounting operations.

8. Policy and Procedures.

a. Exceptions to policy, guidance, and procedures will be directed to USCINCEUR, Vaihingen GE, ATTN: ECCM-B. All previously granted exceptions to ED 50-2, 20 April 1991, will expire upon receipt of this Directive. Any previous exception to this Directive must be reissued in writing by HQ USEUCOM Comptroller.

b. HQ USEUCOM is designated by DoD Directive 5100.3 and Department of Army (HQ DA) as Operating Agency 94 for receipt of funds from HQ DA, DSAA, JCS, or other source. The administration and control of funds provided to HQ USEUCOM will be in accordance with Army/DFAS regulations.

(1) Funds will be distributed to HQ USEUCOM through the Program and Budget Accounting System (PBAS), in accordance with DFAS-IN 37-1, for all appropriations and programs.

(2) Security Assistance funds will be distributed to HQ USEUCOM from DFAS-DE using a manual issuance of Budget Authority/Allotment.

(3) Other funds provided for automatic reimbursements and interservice/intragovernment support agreements will be provided through HQ USEUCOM Comptroller unless otherwise approved.

c. Resource management and budget execution will be in accordance with U.S. law, HQ DA and DSAA regulation, and HQ USEUCOM Chief of Staff approved procedures.

(1) HQ USEUCOM Director, Personnel and Administration (ECJ1), is responsible for administering manpower management and approval in accordance with applicable military and civilian personnel/manpower directives.

(2) HQ USEUCOM Comptroller is responsible for financial administration and budget execution in accordance with SM 50-2, procedures in this Directive, and all other financial management guidance to ensure optimum use of available funds.

d. HQ USEUCOM Activities are subject to fund administration and control procedures established by U.S. law and implemented by DoD Directive and HQ DA regulation. Personnel will not make or recommend any expenditure of funds or take or recommend any kind of action known or believed to be in violation of U.S. laws, Executive Orders, or applicable directives, instructions, or regulations. Under no circumstance will statute or non-DoD

regulation (e.g., the State Department), which does not apply to DoD agencies, be used as basis for authorizing the obligation and expenditure of HQ USEUCOM funds. Funds will not be obligated or expended for any purpose unless specifically authorized by U.S. law. Silence does not constitute authorization.

e. HQ USEUCOM Comptroller will distribute AFP and quarterly obligation targets using input from HQ USEUCOM Activities and computer generated funding documents. Distribution to field will be expedited by the use of an advance facsimile, e-mail, or other electronic transmission with follow-on funding document reflecting the same data.

f. Financial management, fund certification, and fund control will be delegated to HQ USEUCOM Activities as necessary.

(1) HQ USEUCOM Activities are responsible for establishing and maintaining means of controlling funds to prevent overdistribution or overobligation. Heads of HQ USEUCOM Activities may delegate to respective comptroller, resource management officer (RMO), budget officer, or other staff officer (civilian or military) authority to establish and maintain fund controls necessary to comply with all required Directives.

(2) HQ USEUCOM Activities are responsible for coordinating local service support agreements with other DoD or non-DoD agencies. Agreements with commercial entities must be processed through the designated contracting support activity (see Appendix H, Contracting and Supply Procedures, for further discussion).

(3) FCA will be substantiated by authorization letter or functional position statement approved by the recipient of funds, provided such

authorization is delegated in writing by HQ USEUCOM Comptroller or listed in Appendix C. Heads of those HQ USEUCOM Activities are authorized to redelegate FCA, retain responsibility for statutory and Antideficiency Act violations (31 U.S.C. 1517, Prohibited Obligations and Expenditures).

g. HQ USEUCOM Activities will be responsible for reconciling local RCLs with the official accounting reports and reviewing unliquidated obligations (current and prior years) in accordance with this Directive and procedures established by 266th TFC and DFAS-DE.

(1) Ordering officials or other persons designated by HQ USEUCOM Activities are responsible for conducting research and administration to validate/liquidate obligations.

(2) 266th TFC, in coordination with the HQ USEUCOM Comptroller, is responsible for scheduling reviews and reconciliations of unliquidated obligations.

h. Expenditure of MWR funds and administration of nonappropriated fund instrumentalities (NAFIs) within HQ USEUCOM will be in accordance with Appendix M and applicable AR 215 series. The establishment and monitoring of command policy is the responsibility of ECJ1.

i. HQ USEUCOM Comptroller will issue programming and budgeting guidance and procedures for HQ USEUCOM fund requirements in accordance with HQ DA and DSAA instruction; C2IP and CIF budgeting will follow ED 100-21; SA budgeting will include ECJ4-SA coordination.

(1) HQ DA fund requirements (OMA and OPA) will be programmed and budgeted in accordance with HQ DA guidance and SM 50-2 procedures. Programming and

budgeting will be accomplished by biennial submissions of the Program Objective Memorandum (POM) and Command Budget Estimate (CBE). Unfinanced requirements will be addressed through the POM, CBE, and Resource Management Update (RMU) to the COB. The RMU is submitted during the off-year CBE cycle.

(2) SA and FMF fund requirements, in coordination with ECJ4-SA program manager, will be programmed and budgeted in accordance with DoDD 5105.38-M, applicable DSAA/Army guidance, and AR 1-75.

(3) Unfinanced requirements remain unfinanced unless funded by the PBAC or SA program director at the expense of other funded programs (see Appendix L, Unfinanced Requirements) or funded internally by the submitting activity.

9. Distribution of Funds.

a. Comptroller will distribute operating funds to HQ USEUCOM Activities upon written notification of approved appropriations act. Initial distribution may be tentative due to timing of the Defense Appropriations Act and approval actions required by PBAC or SA program director.

b. Notification and distribution of AFP, fund limitations, quarterly obligation targets, and funding adjustments are authorized only by the HQ USEUCOM Comptroller. Notification will be by funding memorandum and detailed automated budget and funding documents showing AFP amounts, title, cumulative obligation allocation, and applicable limitations. Notification by other means is permitted only under the following conditions:

(1) Electronic (Message, fax, or E-Mail) notification will be used to expedite summary level fund

distribution to field activities.

(2) Program managers having HQ USEUCOM field advocacy responsibility should distribute funding documents to subordinate elements upon receipt from the HQ USEUCOM Comptroller.

c. Continuing Resolution Authority (CRA).

(1) In the event a Defense Appropriations Act has not been approved by the start of the new fiscal year, the HQ USEUCOM Comptroller will issue notification and funding guidance under an interim CRA approved by Congress.

(2) CRA operations for all funds will be at a rate not to exceed the latest congressional action or the previous year's rate, whichever is lower. This is an annualized rate and does not limit obligations for a particular period to the amount of the corresponding preceding fiscal year period. Specific CRA obligation authority will be issued and must not be exceeded. New starts or expansions to ongoing programs are not authorized under CRA. By definition, there are no new starts in OMA and it is generally not adversely impacted by a CRA except for obtaining sufficient allocation until a Defense Appropriations bill is passed.

(3) In the event that no CRA is approved by Congress, no authority exists to obligate appropriated funding. Under these conditions, all appropriated activities will be cancelled or deferred pending the passage of a CRA or Appropriations bill. Only costs required to ensure National Security, for the protection of life and government property, and for activities not funded by the appropriations bill are authorized. Specific guidance on what activities or costs are exempt will be provided by ECCM.

10. Fund Control Procedures.

a. Recipients of HQ USEUCOM funds are responsible for administrative control of funds, including any related delegations of authority. This requirement is based on federal law and Office of Management and Budget (OMB) instructions on budget execution (OMB Circular No. A-34, Part III). The following statutes stipulate requirements for a fund control system and limit the use of funds to amount, purpose, and time.

(1) 31 U.S.C. 1514 - Administrative Division of Apportionments, requires that a fund control system be designed to (a); restrict obligations and expenditures from each appropriation or fund category and (b) distinguish administrative subdivisions from classifications or subdivisions which are not automatically violations of the Antideficiency Act (31 U.S.C. 1517, Prohibited Obligations and Expenditures).

(2) 31 U.S.C. 1341 - Limitations on Expending and Obligor Amounts, prohibits making or authorizing expenditure or obligation exceeding an amount available in an appropriation or fund or involving the government in a contract or obligation before an appropriation or fund is authorized by U.S. law (Appendix F).

(3) 31 U.S.C. 1301 - Application, requires appropriations and funds to be applied only to the purposes for which enacted or otherwise specifically provided by U.S. law.

(4) 31 U.S.C. 1502 - Balances Available, limits obligations to definite time period for payment of expenses properly incurred during the period of availability (bonafide need).

(5) Violation of above statutes and other provisions restricting use of funds may result

in adverse personnel actions or criminal penalty under sections 1518 and 1519, 31 U.S.C. It is therefore essential that heads of HQ USEUCOM Activities ensure compliance with prescribed fund control procedures.

b. To maintain fund control integrity and preclude violation of statute(s), heads of HQ USEUCOM Activities will ensure:

(1) Funds are not committed, obligated, or expended unless notified by HQ USEUCOM Comptroller of fund availability.

(2) Funds are not used for any purpose which appears unusual or for which guidance is unclear. Refer to appendices to this Directive or contact HQ USEUCOM Comptroller for further guidance.

(3) Funds are used in accordance with this Directive, its references, and other applicable DoD Directive and guidance. Do not use procedures or practices of non-DoD agencies as basis for authorization. For example, non-DoD agencies, such as the U.S. Department of State and the U.S. Forestry Department, have specific statutory authority which authorizes them to expend as much as \$400 per year per civilian driver. This authority does not apply to DoD agencies. Uniform allowance for DoD civilian drivers is limited by (5 U.S.C. 5901) to \$300 a year per driver except for civilian employees of the Defense Intelligence Agency (10 U.S.C. 1606) and the U.S. Army Corps of Engineers where a higher amount has been authorized. Other DoD guidance regarding quarterly payments for uniform maintenance allowance apply.

(4) Personnel are instructed to limit business contacts to price quotations, determination of nonstandard requirements, and other information authorized by the contracting officer; firm agreements with private enterprise must be conducted only by duly appointed contracting

officers. For example, negotiating a certain number of room reservations with hotel personnel (verbal or in writing) in return for using a conference room may constitute a contract for which you can be held personally liable. Under U.S. laws, such action constitutes an irregular procurement which requires filing a report to establish government liability. HQ USEUCOM personnel do not have contracting authority, and there are no duly appointed contracting officers in HQ USEUCOM. Note that contracting officer representatives (CORs) have very limited authority and cannot contract on behalf of the U.S. Government.

(5) Individuals designated FCA are familiar with fund control procedures and obligation rules in this Directive (Appendix C) and DFAS-IN 37-1, Army Accounting Guidance.

(6) RCLs are maintained and commitments/obligations are reconciled in accordance with this Directive (Appendix D) to verify fund availability on perpetual basis.

(7) Files and funding documents are maintained to substantiate all obligations and to provide disclosure of operations (31 U.S.C., Chapter 15; DFAS-IN 37-1, Chapter 1). Required files and examples of required documents follow: commitment, suspense, and obligation files; documentary evidence (purchase orders, travel orders, contracts, receiving reports, etc.); reimbursable service support agreements; other supporting records and transactions.

(8) Transmittal procedures are followed for controlling the flow of input into the official accounting records to ensure prompt receipt and recording.

(9) The Internal Management Control Program (IMCP) is

maintained according to ED 50-8 and Federal Managers Financial Integrity Act of 1982 to provide following reasonable assurance.

(a) Obligations and costs are in compliance with applicable U.S. law.

(b) Funds, property, and other assets are safeguarded against waste, loss, unauthorized use, misuse, or misappropriation (ED 50-8).

(c) Revenues and expenditures applicable to HQ USEUCOM Activity operations are properly recorded and accounted for to permit preparation of accounts and reliable financial and statistical reports and to maintain accountability over assets.

11. Fund Certification Authority (FCA).

a. FCA fixes responsibility for obligation and expenditure of funds. Individuals delegated FCA must be knowledgeable of obligation rules, purposes for which funds may be lawfully used, fund control procedures in this Directive, and other applicable guidance. Delegation of FCA must be in writing to persons by name or by functional position statements, provided the persons to whom FCA is delegated are readily identifiable and have been approved by the fund recipient.

b. Heads of HQ USEUCOM Activities and individuals granted authority to certify funds must follow procedures in Appendix C.

12. Resource Control Ledgers (RCLs) and Accounting Reports.

a. Maintaining required RCLs is integral to fund administration and control. When properly maintained, they keep managers informed on status of funds and how actual fund usage (STANFINS/DFAS-DE recorded obligations) compares with the

spending plan. They can be used to identify unfavorable trends and accounting errors which can disrupt operations. Without properly reconciled RCLs (i.e., in agreement with STANFINS/DFAS-DE Reports), management lacks financial data to make spending decisions and evaluate alternative funding actions. In addition, properly maintained RCLs can prevent overobligation and overexpenditure of funds which may cause a reportable violation of the Antideficiency Act.

b. All recipients of HQ USEUCOM funds must maintain required RCLs and reconcile obligations with STANFINS/DFAS-DE accounting reports to ensure above objectives are met. Procedures, sample reports, and required format for RCLs are discussed in Appendix D.

13. Obligation Rules.

a. A network of laws and regulations governs obligation rules; therefore, heads of HQ USEUCOM Activities and officials delegated FCA must be cognizant of responsibilities and exercise care. For example, if violation of statute occurs, officials are required to investigate and review the facts and take other appropriate actions. Tables on rules of obligations in Appendix E will assist in the proper administration of funds.

b. Statutes are very specific on what legally constitutes recordable obligations. The following rules on purpose, period of availability (bonafide need), and amount apply:

(1) Obligate funds only for purposes for which appropriated or other funds are made available (31 U.S.C. 1301a).

(2) Purpose must be a bonafide need of funds current during the period of availability which includes replacing stock used during the current fiscal year (31 U.S.C. 1502a).

(a) The period of availability means recordable, valid obligation before funds expire (e.g., OMA, SA, and FMF funds are single year funds available for obligation from 1 October through 30 September each fiscal year). Intention to order supplies and materials or procure equipment and services, without the written evidence of a legally binding agreement, does not constitute a valid obligation of current funds.

(b) An order placed anytime during the fiscal year to replenish up to 90 days of supplies is considered a bonafide need of current funds if recent supply consumption rates substantiate the need. Procurement lead time is also a valid consideration for prepositioning supplies for a mission requirement of the ensuing fiscal year (e.g., charge current year Title 10 funds to preposition supplies for a combined exercise planned during the first quarter of the ensuing fiscal year).

(3) Amounts authorized for obligation or expenditure cannot exceed administrative divisions, apportionments, and limitations.

(a) Inadvertent overobligation or overexpenditure of AFP does not by itself constitute a violation. However, if cumulative effects cause HQ USEUCOM to exceed its authorized funding level, a reportable violation may have occurred. In either case, the fund certifying official will be held accountable.

(b) A statutory violation has occurred if a fund limitation is exceeded. This may also be a reportable violation of the Antideficiency Act if the expenditure or obligation exceeds the current budget authority. Examples of fund limitations are representation funds (OMA and SA), BA43 Public Affairs, and civilian driver uniform allowances (see

Appendix F, Table F.7).

c. Regulatory guidance is also specific on rules of obligation which implement statutory authority and limitations, other laws in appropriation acts, and policy. Therefore, guidance in this Directive and other applicable regulations covering a range of financial guidance must be followed.

14. Purpose and Use of Operating Funds.

a. HQ USEUCOM receives a variety of funds which are subject to different rules and purposes. Because misapplication is consequential, the rules governing purpose and use of funds must be followed. Below discussion and guidance contained in Appendix F will assist in proper administration of funds.

b. C2IP funds will be administered in accordance with this Directive, ED 100-21, CINC's Command and Control Initiatives Program (C2IP), and applicable JCS and DoD guidance.

(1) C2IP funds are a combination of O&M, Procurement, and Research, Development, Test and Evaluation (RDTE) funds which are subject to different rules and purposes. Director, Command, Control and Communications Systems (ECJ6), is program administrator for these funds.

(2) In general, these funds are used for CINCEUR high priority, near-term command and control (C2) requirements that cannot be delayed or deferred to the DoD Planning, Programming, Budgeting System (PPBS) - a process which normally requires two years. Program reporting requirements and policy is established by JCS and OSD. However, funding concepts, controls, obligation rules, and guidance apply equally to C2IP funds, consistent with each

appropriation and program category.

(3) C2IP funds will not be used to fund recurring, operational requirements or contract studies (see Appendix F).

c. CINC Initiative Funds (CIF) will be administered in accordance with the Chairman of the Joint Chiefs of Staff Instructions (CJCSI 7401.01) and applicable DoD guidance. The program is managed by the Joint Staff (J7), which provides funds for individual projects submitted by CINCs and approved by the Chairman of the JCS. Funding is intended to support emergent CINC joint warfighting readiness capabilities and national security interests. Funding is provided directly to CINC upon approval of individual initiatives.

d. Partnership for Peace (PfP) funding will be administered by applicable USC, DoD, and JCS guidance. Funds will be used to support the PfP partners to participate in NATO-PfP exercises and U.S. nationally sponsored in the spirit of PfP exercises and exercise related events.

e. Humanitarian Assistance and Defense Emergency Response Funds are made available for the deliverance of humanitarian relief and responding to natural and man-made disasters. Typically, these funds provide authority to purchase and transport supplies and non-lethal property to countries deemed befitting of this kind of support. Program approval is usually top-driven by Department of State through the Secretary of Defense and Joint Chiefs of Staff to HQ USEUCOM. Funding is contingent upon appropriate levels of approval on a by-project basis. Requests for new project funding and reprogramming are worked through the responsible HQ USEUCOM program management office.

f. Representation allowances for OMA and SA funds will

be used in accordance with ED 50-12, Administration of Representation Funds, and this Directive. Overobligation or overexpenditure of a limitation may cause a reportable statutory violation.

g. Funds for HQ USEUCOM Office Automation Program, OMA/OPA automation, and information management systems will be used in accordance with SM 100-4, SM 50-2, this Directive, and other applicable guidance.

h. Title 10 Program funds will be used in accordance with this Directive, guidance provided by the Director of Logistics and Security Assistance (ECJ4), Title 10 Program manager, and other applicable guidance. Title 10 program funds are subject to congressional limitation and reporting requirements established by Congress. The Title 10 funds provided to HQ USEUCOM consist of three programs concerning developing African countries:

(1) Payment of certain personnel expenses for attendance at conferences.

(2) Participation in combined exercises.

(3) Humanitarian and civic assistance projects.

i. JCS exercise funds will be used in accordance with this Directive, AR 350-28, and guidance provided by the ECJ3 program manager (see Appendix F).

j. Reimbursable funding for base operations (BASOPS) will be in accordance with AR 37-49.

(1) BASOPS support will be provided by host to tenant without reimbursement when funded by same appropriated funds.

(2) BASOPS support for costs directly attributable to the tenant will be reimbursed to host on

a mutually acceptable basis, when funded by different funds or in the absence of other provisions or agreement. Common support not attributable to the presence of the tenant will be nonreimbursable.

(3) In HQ USEUCOM, support provided by USAREUR will be in accordance with AR 37-49, support agreement between HQ USEUCOM and HQ USAREUR, and this Directive.

k. Guidance in Appendix F will assist HQ USEUCOM Activities in using OMA and SA funds. Included is guidance concerning cost reimbursement/cost sharing procedures for SAOs receiving both SA and OMA funds, JCS exercise funds, C2IP funds, Title 10 funds, and fund limitations. Guidance on fund usage not discussed in this Directive should be requested from HQ USEUCOM Comptroller.

15. Funding and Accounting for Travel.

a. General. The need for temporary duty travel should be reviewed by all levels of approving authorities to assure travel is minimized and performed only when no other means of support or communication will serve the purpose. Travel will be funded by HQ USEUCOM Activity requiring travel (see below). Travel shall be in accordance with applicable guidance in Joint Federal Travel Regulation (JFTR) Vol I (military), Joint Travel Regulation (JTR) Vol II (civilian), SM 30-1, ED 5-4, and Department of Army/DFAS regulations.

b. Settlement of Travel/Travel Advances. Travel vouchers (claim for reimbursable expenses) will be filed within five workdays after completion of travel to ensure prompt liquidation of recorded obligations and settlement of all outstanding travel advances. Heads of HQ USEUCOM Activities will ensure following:

(1) Travel claims are reviewed by the supervisor or a designated travel program manager for completeness before submitting to finance to reduce likelihood of rejections due to inadvertent omissions.

(2) Travel claims are promptly filed to ensure amounts obligated are liquidated and fund balances adjusted to reflect actual cost of travel.

(3) Copies of all settlement vouchers are provided by travelers to resource managers so accounting records can be updated to reflect actual costs.

(4) Appropriate action is taken to ensure outstanding travel advances are promptly settled.

c. Blanket Travel Orders (BTO). BTOs may be approved for HQ USEUCOM Directors, Deputy Directors, and SAO Chiefs due to location and mission requirements. Requests for the use of BTOs by other personnel should be submitted to ECCM for approval by the HQ USEUCOM Chief of Staff. BTOs are intended for those cases where travel requirements cannot be determined in advance. BTOs should not be approved for frequency rates of less than fifteen (15) occurrences per fiscal year or when mission demand is reasonably predictable.

d. Emergency Leave Travel. Travel of military members on emergency leave is charged to the fund which supports the unit to which assigned (AR 1-75, Chapter 3). In HQ USEUCOM, ECJ1 is the designated program manager for OMA funded activities. For non-OMA funded HQ USEUCOM activities (i.e., Foreign Military Financing - FMF 1082; and Security Assistance - FMS Administrative Overhead 8242), a fund cite will be furnished ECJ1 to fund emergency leave travel. Civilian members and their dependents are not entitled to this

benefit.

e. Environmental Morale Leave (EML) and Consecutive Overseas Tour (COT). Command approved EML and COT will be charged to the funds which support the unit to which a member or employee is assigned (Activity funds will be used if member is not provided funding by Service department). COT is centrally managed by HQ USEUCOM ECJ1. Refer to ED 35-2 for more guidance on EML.

f. Dependent Student Travel. This program provides full-time students one round trip each fiscal year to visit their families stationed outside the continental United States. Reimbursement is limited to the government procured airlift rate.

(1) For Military Dependent Student Travel, MAC airlift will be used to the maximum extent possible where available; if not used, statement of nonavailability must be obtained from the transportation officer. Travel at government expense is authorized from door to door as determined by the Transportation Officer. Entitlement covers family members in pursuit of secondary (if sponsor is assigned to non-DoDDS area) and undergraduate studies. This program is centrally managed by HQ USEUCOM ECJ1. Costs for SA funded billets are charged to the appropriate FMS or FMF account.

(2) For Civilian Dependent Student Travel, MAC airlift is not required, but reimbursement is limited to the government procured rate. Entitlement covers family members in pursuit of undergraduate studies only. The Civilian Personnel Office (CPO) manages the program funded by the sponsor's unit funds; SAOs have been delegated authority for SA funded billets.

g. Travel Outside Area of Responsibility (AOR). Travel by

heads of HQ USEUCOM Activities outside AOR will be approved by designated HQ USEUCOM authority. Travel of SAO Chiefs outside AOR will be approved by ECJ4 (ED 90-6).

h. Medical/Dental Care Travel.

(1) Approval and funding of medical/dental travel must comply with JFTR Vol I and JTR Vol II, AR 1-75, ED 67-2, SM 30-1, applicable military department regulations, and guidance issued by ECJ1 and ECMD. State Department regulations do not apply and will not be used as authority (paragraph 8d).

(2) Funding depends on the unit to which a member is assigned, whether treatment is routine or emergency, inpatient or outpatient, and military department. Source of funding can be operating funds or open allotment, depending on circumstance and military department. Civilian employees and their family members are not eligible except for emergency care of those assigned to SAOs.

(3) Travel at government expense will be to the nearest facility where suitable medical care can be obtained. Contact references in Appendix G for specific instructions.

16. Contracting and Supply Procedures.

a. General. HQ USEUCOM Activities receive all procurement and supply support from other agencies. For example, USAREUR, and USAFE provide contracting support to HQ USEUCOM and the State Department's overseas American Embassies support most SAOs. Although the supporting procurement and supply activity is responsible for the administration of contracting procedures in accordance with the Federal Acquisition Regulation (FAR), heads of HQ USEUCOM Activities and fund

certifying officials remain responsible for obligation and expenditure of funds. Compliance with DoD rules and applicable U.S. statutes concerning procured services, supplies, and equipment will be assured by following the guidance in this Directive.

b. Irregular Procurement. HQ USEUCOM does not have procurement and contracting responsibility and therefore does not have contracting authority. Any written or verbal agreement (e.g., purchase order, work order, discussion with vendor, etc.) between a contractor and HQ USEUCOM personnel, which results in liability for payment, is a personal liability. An irregular procurement report must be initiated to establish U.S. Government liability, based on review of the facts by a legal advisor and a duly appointed contracting officer. The report will include management procedures to preclude recurrence and recommendation for administrative discipline including, when appropriate, suspension from duty without pay or removal from office.

c. Conference, Registration, and Training Fees. Heads of HQ USEUCOM Activities sponsoring training conferences, seminars, and other meetings must ensure agreements with private enterprise are processed through the appropriate contracting or procurement office. Exceptions apply to training under sponsorship of a recognized government training entity, such as OPM, and a properly approved intragovernment service support agreement.

(1) Contract or purchase order must be properly obtained in accordance with contracting procedures.

(2) Practice of authorizing reimbursement of conference and registration fees on travel orders is not allowed unless the payment has been authorized, in writing, by a competent authority

(applies when attending other agency sponsored meetings). These fees should be thoroughly examined by competent authority to ensure that costs related to personal expense, entertainment, food, and beverage have been excluded (food, snacks, and beverages are reimbursable by per diem allowance).

(3) Payments to commercial entities must be handled by the appropriate contracting and finance and accounting support offices. In no instance will unauthorized agents collect monies or "fees" and subsequently transfer them to a contractor.

d. Personal Services Contracts. A personal services contract is defined as a contract that by its expressed terms or as administered makes contractor personnel appear to be, in effect, government employees. Applicable statutes (5 U.S.C. 3109 and 10 U.S.C. 1091) authorize DoD agencies to contract only for experts, consultants, stenographic reporting services (court reporters), and health care providers. These services, as defined in U.S. law and in the DoD supplement to the FAR, are not readily available on a competitive bid basis due to a requirement for special skills and knowledge. Personal service contracts for grounds keepers, guard services, and secretaries do not comply with applicable DoD rules and, therefore, are improper. Contact HQ USEUCOM Legal Adviser (ECLA) or Comptroller (ECCM) for additional guidance.

e. Procurement and Supply Requisitions. Procedures and responsibilities in HQ USEUCOM Activities vary according to level of support provided by the supporting agency. However, the requirements for processing documents, maintaining files, RCLs, and reconciling accounts are similar. Appendix H provides helpful guidance for the proper administration of funds and

procedures covering procurement and supply requisitions. Included are procedures for acquisition of nontactical vehicles (NTVs), purchase of foreign-made vehicles, imprest fund items, federal supply system (MILSTRIP) orders, self-service supply center (SSSC) sales, use of PR&C (DA Form 3953), and use of State Department Form FS-455. All HQ USEUCOM Activities must follow procedures, making only those adjustments necessary to comply with the supporting agency's administrative procedures.

17. Property Accountability.

a. A Designated Property Book Officer (PBO) is responsible for accountable property and supply procedures related to requisition, receipt, and accounting of nonexpendable supplies and equipment. Accountability is delegated to the PBO, in writing, by the appropriate statement in AR 735-5" (paragraph 2-10). Property book accounting requires use of DA Form 3328, Property Record, and DA Form 3328-1, Serial/Registration Number Record. Accountable property will be issued by DA Form 2062, Hand Receipt. Director of Logistics and Security Assistance (ECJ4-LI) is responsible for policy guidance regarding property accountability (Deputy Director of Security Assistance, ECJ4-SA, is responsible to SAOs). Guidance provided by ECJ4, AR 1-75, and AR 710-2 will be followed.

b. The PBO (6th ASG-DOL) at Patch Barracks accounts for property issued to designated hand receipt holders.

c. SAO Chiefs and other heads of HQ USEUCOM Activities not located on Patch Barracks are responsible for property accountability. Requests for procuring accountable property will be in accordance with ECJ4 established procedures and the FAR.

18. Processing Commitment, Obligation, and Expense Documents.

a. General. Procedures must be followed to control the flow and reporting of financial documents. Control over document flow ensures tracking of documents from point of origination to destination and that corresponding amounts are promptly recorded. All HQ USEUCOM Activities will ensure prompt reporting of obligation.

b. Forwarding Obligation Documents. All HQ USEUCOM Activities will forward one copy of obligation documents to 266th TFC on a regular basis. Documents will be batched into common packages and forwarded IAW Appendix I of this Directive. HQ USEUCOM Activities not located at Patch Barracks will transmit by priority Feeder Report.

(1) Transmittal Letter (TL). TL format and instructions are in Appendix I. Each TL must identify sender, obligation category, TL number, and detail obligation data in document number order.

(2) Feeder Report (Feeder Report). SAOs (FY95 and earlier and all OMA) and other subordinate HQ USEUCOM Activities not located at Patch Barracks will transmit obligations to 266th TFC (with the exception of SA funded activities beginning in FY 96 who will report to DFAS-DE) using a feeder report. Each feeder report will identify sender, obligation category, feeder report number, and amounts in document number order. The last transmittal message for each month should indicate "final" and arrive at the appropriate accounting office not later than the 26th of the month, unless otherwise notified. Facsimile or other electronic submission can be used (with prior coordination) in advance of original documents to speed transmission. Note: Obligation data in feeder report must match documentation subsequently

forwarded by TL. Feeder report format and detail explanation are in Appendix I.

c. Commitment Documents. The flow and control of documents must be internally tracked to support commitment accounting and to ensure prompt adjustment of fund balances maintained in RCL. For example, the DA Form 3953, Purchase Request and Commitment (PR&C) document is to be used for processing requisitions through 6th ASG-DOL. All requests will be recorded in the RCL and tracked by requisitioner and 6th ASG-DOL. 6th ASG-DOL is responsible for providing each Patch Barracks activity a monthly report on the status of each requisition. The status report will identify Account Processing Code (APC), document reference number (DRN), document requisition number, the amount, hand receipt number, and other required data. Routing of copies of obligation documents (i.e., contract, DD Form 1155, BPA call, and imprest fund purchase) and PR&Cs to the requesting activity's designated resource/program manager is also the responsibility of 6th ASG-DOL. All revised amounts will be posted to the applicable RCL. Documents using a direct citation of HQ USEUCOM funds by 6th ASG-DOL must be transmitted directly to the appropriate accounting office following procedures outlined in Appendix I of this Directive. Other USEUCOM Activities will maintain a commitment document system tailored to fit local conditions to ensure adequate control over flow of obligation and commitment documents.

d. Expense Documents. Receiving reports, invoices, travel vouchers, reimbursable earnings reports, cost transfers, and all other billings will be expeditiously forwarded to the appropriate accounting office to liquidate obligations and ensure compliance with provisions of the Prompt Payment Act (applies to payments only to U.S. firms; customer funds should not be charged for interest

penalties if USEUCOM activity is not at fault). Receiving reports on accountable property, which are delivered directly to the requisitioner, will be immediately reported to the PBO for registration, recording in the property book, and preparation of hand receipt.

e. **Miscellaneous Obligation Document (MOD).** The MOD is used as a substitute document to record valid obligations when, due to circumstance (e.g., mailing time), insufficient time exists to obtain an actual hard copy of the obligation document in order to record the obligation in the correct reporting period. Its use is essential for known liabilities (e.g., utility bills, incentive awards, etc.) which are properly chargeable to current year funds but for which supporting documentation is not feasibly obtainable before 30 September. Use of the MOD must comply with the obligation rules in Appendix E; it serves as a temporary substitute until the actual, properly executed obligation document is obtained or when no formal obligation document exists. Refer to Appendix J for proper and improper uses of the MOD and an example of a properly completed DA Form 3717 (MOD).

f. **Accounting Classification and Document Number.** All HQ USEUCOM Activities must enter complete accounting classification data and assign unique document number to each commitment and/or corresponding obligation document to ensure the accurate tracking of charges and disbursements to recorded obligations in accounting reports. See Appendix K for guidance on use of accounting classification codes and document numbers.

g. **Records and Files.** Records and files must be maintained to support commitment and obligation of funds and to organize the flow of documentation from origination to

final disposition. An organized file system is essential to the efficient management of workload and fund control responsibilities.

(1) Records and documentation must support recorded commitments and obligations to maintain integrity of fund control and administration. Amounts obligated must be recorded according to rules of obligation and obligation documents must support the amounts reported in TLs and feeder reports.

(2) Three files are required to properly manage funding documents: commitments, suspense documents, and obligations. Commitment files include documents that require further processing (e.g., PR&C and travel order) before an obligation can be established. Suspense files include obligation and "earnings" documents in transit to the appropriate accounting office but not recorded in the official accounting records and unresolved cases (discrepancies) between amounts shown in the RCL and the official accounting records. Obligation files include fund certified supporting documentation, TLs, and feeder reports that correctly reflect STANFINS/SAARMS (DFAS-DE) recorded amounts.

(3) Obligation documents must be retained IAW AR 25-400-2, MARKS.

19. Review of Unliquidated Obligations (ULOs).

a. **General.** The status and review of ULOs is one area of intense scrutiny by Congress, DoD, and HQ DA. Large ULO balances (especially prior year balances) have given the impression that resources are not effectively managed. Moreover, enactment of the Gramm-Rudman-Hollings Budget Deficit Reduction Act of 1986 and funding of the Defense Foreign Currency Fluctuation Account (FCFA) from expired appropriations (and if

necessary from current year appropriations) require all activity directors and resource managers to maintain focus on this area. Particular attention should be placed on Negative Unliquidated Obligations (NULOs) where disbursements are greater than obligations.

b. Responsibility for Joint Reviews. The 266th TFC/DFAS-DE, in coordination with the USEUCOM Comptroller, is responsible for scheduling reviews and providing adequate guidance to HQ USEUCOM Activities. Heads of HQ USEUCOM Activities, fund managers, and fund certifying officials will be responsible for ensuring that every recorded obligation of funds under their control (funds made available in letters issued by USEUCOM Comptroller and reimbursable orders) are valid and that all completed transactions are quickly closed out so that outstanding (unliquidated) obligations can be quickly liquidated and excess funds used for other purposes.

c. Procedures for Joint Reviews. Minimum requirements for joint reviews scheduled by 266th TFC are explained below. The procedures are based on 31 U.S.C. Chapter 15, SubChapter IV, OMB Circular A-34, DoD Directive 5105.38-M, DFAS-IN 37-1, and AR 1-75.

(1) 266th TFC/DFAS-DE will establish an annual review program consisting of scheduled ULO reviews for each serviced HQ USEUCOM Activity. Special emphasis should be placed on review of MODs, large travel ULOs that will not be disbursed until after end of fiscal year, lease agreements, and reimbursable orders.

(2) The annual review program will be divided into at least three phases staggered throughout the year to distribute the workload.

(3) A final review of ULOs will be completed during the last 60 days of the fiscal year with special emphasis on year end MODs. MODs processed by HQ USEUCOM Activities will be in accordance with year end closing procedures. The final review will be completed in sufficient time and manner to assure that funds deobligated as a result of the review can be used for other purposes prior to fiscal year end (including unforeseen return of funds for reapplication to other agencies).

d. Ground Rules for ULOs in Expired Accounts. HQ USEUCOM Activities are responsible for providing during the joint review all justification to support ULOs for expired (prior year) funds. Documentary evidence may include annotated supply status reports, letters, informal memorandums, records of telephone calls to contracting officials to determine status of contract award, and any other documentation that provides evidence of a valid obligation.

(1) All prior fiscal year ULOs of \$5,000.00 or more and aged 12 months or more must be justified with documentation.

(2) All ULOs aged two years or more without a STANFINS/SAARMS recorded disbursement during same period will be considered for immediate deobligation (cancellation) unless documentary proof to substantiate validity is furnished by HQ USEUCOM Activity to 266th TFC/DFAS-DE. If documentary proof can not be provided, a statement signed by a responsible official of the HQ USEUCOM Activity will be provided to support deobligation.

e. Unbilled Liabilities - Policy. Below conditions may be used for writing off certain liabilities and related obligations in coordination with 266th TFC/DFAS-DE (reference DFAS-IN 37-1).

(1) For contracts or purchase orders placed with private enterprise, write off obligations if the goods or services were received but no invoice was received at least 180 days after acceptance of goods or services, at least two written requests for an invoice were made at least 60 days before write off, and copies of these requests are on file and furnished to 266th TFC/DFAS-DE.

(2) For Stock Fund requisitions, write off if goods were received and no bill or its equivalent was received at least 180 days from the date of acceptance, one FAE/FAF card was submitted with billing advice code 034 at least 60 days before write off, copies of FAE/FAF cards (billing adjustments) are on file with 266th TFC, and no line item for the same requisition number is in 266th TFC/DFAS-DE suspense account. At Patch Barracks, requests should be addressed through 6th ASG-DOL to the 266th TFC.

20. Foreign Currency Fluctuation Account (FCFA).

a. Purpose of FCFA. In FY 1979 Congress established the Foreign Currency Fluctuation, Defense (FCF,D) appropriation to minimize problems caused by the decline in the value of the U.S. dollar in overseas programs. In HQ USEUCOM, the individual Army FCFAs are used for eligible currencies for OMA purchased goods and services that are paid in local currency. (Reference DA Pam 37-100-XX).

b. Use of FCFA. HQ USEUCOM Activities will request OMA obligation documents for goods and services procured in local currency be recorded at the established budget rate.

c. Distribution of FCFA Budget Rates. ECCM is responsible for distributing guidance on annual FCFA budget rates.

21. Budget Execution. Each HQ USEUCOM Activity is responsible for effective utilization of operating funds. This requirement is driven by Congress, OSD, and HQ DA. Pursuant to this requirement is the need to measure the use (obligation) of funds against a plan of execution in some practicable manner. In HQ USEUCOM, the method used is to compare STANFINS recorded obligations (the official accounting record reported to OSD and OMB) against the annual spending plan established for each HQ USEUCOM Activity.

a. Spending Plan Procedures for OMA Funded Activity. The USEUCOM Comptroller will issue a call for submission of spending plans from each OMA funded HQ USEUCOM Activity. The call will include guidance and a proposed monthly spending plan, which will be based on the most recent program budget guidance. Each activity will be requested to review and approve the plan. All changes will be annotated and approved by the activity director or office chief prior to returning it to the HQ USEUCOM Comptroller by the requested suspense date.

(1) If proposed funding level in AFP is insufficient to perform a mission, a list of unfinanced requirements (UFRs) may be submitted in addition to the approved spending plan. However, program decrements, zero-based budgeting, impact statements, and the internal funding of UFRs may be necessary if additional funds are not made available. Presentation, discussion, and financing of UFRs will follow the PBAC procedures discussed in SM 50-2 (see Appendix L for UFR format).

(2) Monthly budget variance analysis procedures will be used to evaluate utilization of funds. Comparing STANFINS recorded obligations to the spending plan will be the basis for such

evaluations. The following actions apply if variance exceeds plus or minus five percent or \$5,000.00.

(3) HQ USEUCOM Comptroller will flag activities which exceed variance parameters and written input from HQ USEUCOM Activities will be required to explain variances. Results of the analysis will be the basis for recommending to the PBAC to withdraw excess funds and require revised spending plans.

(4) Budget variance analysis will be a continuous, on-going process beginning with the distribution of the current year's program and ending with initiation of year end closing procedures. Actions to recommend withdrawal of funds will intensify following mid-year review when subsequent execution reviews indicate inability of any HQ USEUCOM Activity to execute a program prior to initiation of year end procedures.

b. Spending Plan Procedures for SA Funded Activity. The HQ USEUCOM Comptroller and Deputy Director for Security Assistance (ECJ4-PMR) will issue proposed SA funding guidance and each SAO will be required to submit a proposed monthly spending plan based on this guidance. Proposed plan may include list of UFRs with justification and mission impact if not funded. A proposed decrement list may also be required.

(1) Monthly budget variance analysis procedures will be used to evaluate utilization of funds. Comparing DFAS-DE recorded obligations to the spending plan will be the basis for such evaluations. The following actions apply if variance exceeds plus or minus five percent or \$5,000.00.

(2) HQ USEUCOM Comptroller and ECJ4-SA will flag activities which exceed variance parameters and written input from HQ USEUCOM Activities will be required

to explain variances. Results of the analysis will be the basis for recommending reprogramming actions with the objective of attaining maximum utilization of funds.

(3) Budget variance analysis will be a continuous, on-going process beginning with the distribution of the current year's program and ending with initiation of year end closing procedures. Actions to recommend withdrawal of funds will intensify following mid-year review when subsequent execution reviews indicate inability of any SAO to execute a program prior to initiation of year end procedures.

22. Year End Closing Procedures. As a supplement to this Directive, the HQ USEUCOM Comptroller, in coordination with the 266th TFC/DFAS-DE, will issue procedures for year end closing.

a. 266th TFC/DFAS-DE will be responsible for establishing year end cut off dates for processing STANFINS/SAARMS transactions. Final TL and feeder report submissions will be based on those dates.

b. The 6th ASG-DOL will be responsible for providing requisition cut off dates for procurement and supply orders to HQ USEUCOM Activities either located on Patch Barracks or serviced by 6th ASG-DOL.

c. The HQ USEUCOM Comptroller will implement the following minimal procedures to assure an effective fund control process during year end closing (mid-August through 30 September).

(1) Ensure distribution of 266th TFC and 6th ASG-DOL year end cut off dates to appropriate HQ USEUCOM Activities.

(2) Maintain centralized fund control (after a specified date) for OMA and SA programs to provide real-time status

of budget execution at the appropriation, program, and sub-program level of detail.

(3) Review processing of MODs in accordance with above paragraph 17 and Appendix J to this Directive.

(4) Coordinate reallocation of unobligated funds with designated program managers.

(5) Take necessary action to reprogram, transfer, or re-apply funds for use by other agencies which support HQ USEUCOM in those instances where funds are determined to be inexecutable.

23. Planning, Programming, and Budgeting System (PPBS). PPBS is the system used within DoD to plan, program, and budget for fund requirements within the framework of the five year defense plan (FYDP) to meet defense objectives (the Army added "Execution" to emphasize its importance and refers to it as PPBS). All USEUCOM Activities must play an active role to assure future availability of funds for mission requirements, consistent with the USCINCEUR priorities. Explanation of SA and OMA program/budget submissions is in Appendix L.

24. Assistance-In-Kind (AIK) and Contributed Currencies.

a. General. AIK is support in the form of goods and services provided by foreign governments without cost to the U.S. Government for support of SAOs. It includes office space, rent free housing, and services of foreign national employees. Contributed currencies are actual funds collected from participating countries for operating expenses of the SAO. Terms of AIK and contributed currency support are pursuant to bilateral agreements with participating countries. USEUCOM SAOs are responsible for identifying AIK support and contributed currencies in the annual SA budget

submit to HQ USEUCOM for reporting to DSAA.

b. Responsibilities. SAOs located in countries providing AIK are required to identify the amount of that support in the SA budget submission. Guidance on reporting contributed currencies is provided below (refer to ED 50-4 for a detailed explanation).

(1) SAOs located in countries which participate in the contributed currency program are required to provide the USEUCOM Comptroller, by message, the actual obligation data for military and civilian personnel supporting the SAO to include post, station, and temporary living allowances; all PCS costs; and SAO related morale and welfare costs. A message report is due not later than 30 calendar days after the end of each fiscal year.

(2) The HQ USEUCOM Comptroller will review, validate, and consolidate the reported data (SA and DCA/OMA obligations). The Comptroller will forward the official HQ USEUCOM report of DoD costs by country through the SAO to the appropriate U.S. Embassy not later than 45 calendar days after the end of the fiscal year.

(3) SAOs will advise HQ USEUCOM Comptroller by message of the amount of contributed currency made available by the host country as reported by the American Embassy. The contributed currency will be deposited by the U.S. Embassy in a local depository controlled by the State Department Regional Accounts Management Center (RAMC), Paris, France, for transfer to the U.S. Treasury Miscellaneous Receipts Account.

25. Morale, Welfare, and Recreation (MWR) Funds. MWR funds and activities are subject to the same basic rules of control and accountability which govern appropriated and trust funds. Their purpose is intended to promote

activities which support the needs and interests of the military community and equitably contribute to the overall morale and welfare of the community. The Army, in accordance with DoD instruction, is responsible for administering and supporting MWR activities of HQ USEUCOM, and USAREUR is the designated support MACOM.

Therefore, administration of MWR funds will be in accordance with AR 215-1 and applicable AR 215 series.

Exception: Several HQ USEUCOM Activities receive unit funds/MWR support from other than the designated MACOM (USAREUR). In those instances, this Directive applies in addition to Service requirements. Requirements, responsibilities, and procedures are more thoroughly covered in Appendix M to assist proper administration and control of MWR funds.

26. Civilian Manpower Obligations Data (CMOD) Reporting. CMOD is an automated reporting system that provides HQ DA data to determine the actual costs of civilian manpower based on execution experience. The proper format for field activities to report civilian man hours and end strength is discussed in Appendix I. Explanation of the CMOD reporting system is found in Appendix N.

27. Audits and Reviews. Funds under the administrative control of HQ USEUCOM are subject to review, audit, and inspection by the U.S. General Accounting Office (GAO), the Department of Defense Inspector General (DoDIG), the USEUCOM Inspector General, and any other authorized agency. In addition, USEUCOM staff assistance visits (SAVs) may be used to assist and evaluate procedures within functional areas of responsibility. For example, SAVs may be scheduled through ECJ4-SA to evaluate logistical support provided to SAOs and offer assistance. ECCM may conduct SAVs to review fund administration procedures and assist HQ USEUCOM Activities in resource management activities. Guidance on

GAO and DoDIG access is found in ED 50-5 and USEUCOM Inspector General responsibilities are in ED 125-4.

28. Alleged Antideficiency Violations. In accordance with OMB Circular A-34 and DFAS-IN 37-1, reporting of alleged antideficiency violations is explained below.

a. RCS DD-COMP(AR)170 (Report of Alleged Antideficiency Violation) will be used by the HQ USEUCOM Comptroller to report information related to an alleged antideficiency violation. Format and required information are in Chapter 29 of DFAS-IN 37-1.

b. Responsibilities. When an apparent violation has been discovered, the individual who discovered the alleged violation will notify the HQ USEUCOM Comptroller through command channels.

(1) The USEUCOM Chief of Staff or designated official will appoint an official or board of officers, if appropriate, to investigate facts of the alleged violation.

(2) Concerned activity will perform the investigation and provide requested information to the HQ USEUCOM Comptroller.

c. Reportable violations. Following is a list of reportable Antideficiency Act violations:

(1) Overobligation or overexpenditure of an appropriation, fund, or limitation in excess of the amount made available.

(2) Involving the U.S. in a contract or obligation in advance of an appropriation or fund. Fund certifying officials will ensure that obligation documents citing one year funds such as OMA and SA, which are processed in the current FY with effective dates in the next FY, contain a disclaimer that funding is subject to funds

appropriated and made available by Congress.

(3) Accepting the voluntary service or the employing of personal services in excess of statutory authorizations except in emergency cases involving safety of human life or protection of property (31 U.S.C. 1342).

(4) Overobligation or overexpenditure of administrative subdivision of funds: allowances, statutory limitations and restrictions found in appropriation acts (e.g., chauffeur uniform allowance, Title 10 Humanitarian and Civic Assistance, etc.), and specific fund limitations (e.g., representation funds) contained in funding authorization documents provided to HQ USEUCOM.

29. Automation. ADP technology should be used in all areas of resource management to enhance capability and promote efficiency. Personal computers (PCs) and state-of-the art software work to accomplish efficiently your administrative and analytical tasks. For example, automated spreadsheets are excellent for preparing budgets and performing analyses. Word processing programs offer a host of user friendly functions which go far beyond basic typing and printing functions. Activities under administrative control of ECJ4-SA will address ADP needs through the designated desk officer or program manager. Other activities should request assistance through the HQ USEUCOM field advocate.

FOR THE COMMANDER IN CHIEF:

OFFICIAL:

RICHARD F. KELLER
Lieutenant General, USA
Chief of Staff

SUSAN M. MEYER
LTC, USA
Adjutant General

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APPENDICES:

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- B - Definitions
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References

- A-1. Title 5, United States Code, Chapter 9, Allowances.
- A-2. Title 10, United States Code, Chapter 16, Uniform Allowance.
- A-3. Title 31, United States Code, Chapter 13, Appropriations.
- A-4. Title 31, United States Code, Chapter 15, Prohibited Obligations and Expenditures.
- A-5. Title 41, United States Code, Chapter 41 Public Contracts.
- A-6. Office of Management and Budget (OMB) Circular A-34, Revised August 1985, Instructions on Budget Execution.
- A-7. DoDD 5100.3, Support of the Headquarters of Unified, Specified, and Subordinate Joint Commands.
- A-8. DoDD 5105.38-M, Security Assistance Management Manual (SAMM), Chapter 13 - SA Program Administration.
- A-9. Federal Acquisition Regulation (FAR) and DoD Supplements.
- A-10. Joint Federal Travel Regulation (Volume 1) and Joint Travel Regulation (Volume 2).
- A-11. DFAS-IN Reg 37-1, Army Accounting Guidance.
- A-12. AR 1-1, Planning, Programming, Budgeting and Execution System (PPBES).
- A-13. AR 1-75, Administrative and Logistical Support of Overseas Security Assistance Organizations (SAOs).
- A-14. AR 25-30, The Army Integrated Publishing and Printing Program.
- A-15. AR 25-400-2, Modern Army Recordkeeping System (MARKS).
- A-16. AR 37-49, Budgeting, Funding, and Reimbursement for Base Operations Support of Army Activities.

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A-17. AR 37-103, Disbursing Operations for Finance and Accounting Office.

A-18. AR 215-1, Administration of Morale, Welfare, and Recreation (MWR) Activities and Non-Appropriated Fund Instrumentalities (NAFIs) and applicable AR 215-2-5 MWR series.

A-19. AR 350-28, Army Exercise.

A-20. AR 381-41, Intelligence Contingency Funds.

A-21. AR 670-1, Wear and Appearance of Army Uniforms and Insignia.

A-22. AR 710-2, Inventory Management Supply Policy Below the Wholesale Level.

A-23. AR 735-5, Policies and Procedures for Property Accountability.

A-24. DFAS-IN Pam 37-100-XX, The Army Management Structure (AMS), (annual publication where XX equals fiscal year); references based on the FY95 edition (DFAS-IN Pam 37-100-95).

A-25. ED 15-1, Organization and Policies.

A-26. ED 25-1, Combatting Terrorism.

A-27. ED 35-6, Geographical Responsibilities, Non-Appropriated Fund Activities.

A-28. ED 35-2, Environment and Morale Leave (EML).

A-29. ED 50-4, Contributions by Foreign Governments for Administration and Operating Expenses of Security Assistance Programs.

A-30. ED 50-5, Relationships with External Audit Agencies.

A-31. ED 50-8, Internal Management Control Program.

A-32. ED 50-12, Administration of Representation Funds.

A-33. ED 64-2, Management of Non-Tactical Vehicles (NTV).

A-34. ED 100-21, Command and Control Initiatives Program (C2IP).

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A-35. ED 125-4, The USEUCOM Inspector General (IG).

A-36. ED 90-6, Administration of Security Assistance Organizations (SAO).

A-37. SM 30-1, Travel Orders.

A-38. SM 50-2, Program Budget Advisory Committee (PBAC).

A-39. SM 100-4, Procedures for Requesting Information Management Systems.

A-40. Database Commitment Accounting System (dCAS) Users Manual.

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APPENDIX B

Definitions

B-1. Accounting Processing Code (APC). A four position alphanumeric code to identify each separately funded activity or function.

B-2. Accrual. The actual or constructive receipt of goods and services or the performance accepted whether or not invoices have been received or payments made. Expenses and accruals are usually recorded simultaneously in STANFINS.

B-3. Antideficiency Violation. Violation of the Antideficiency Act (Section 1517, Title 31, U.S.C.), that occurs when a subdivision of funds (including any fund limitation) is overcommitted, overobligated, overdistributed, overdisbursed, or obligated in advance of an appropriation.

B-4. Appropriation. An authorization by an Act of Congress to incur obligations for specified purposes and to make disbursements for them from the U.S. Treasury.

B-5. Army Stock Fund. A working capital fund used to finance the procurement of certain supplies which are held in inventory until sold to consumers.

B-6. Base Commercial Equipment (BCE). Non-centrally managed, commercially available equipment for which a national stock number (NSN) has not been assigned and is readily available off the shelf (no manufacturing). BCE equipment costing \$25,000 or more, and to be procured with appropriated funds, must be procured with Other Procurement Appropriation (OPA) funds.

B-7. Budget Authority. The authority provided by law, including joint resolutions making continuing appropriations (CRA), and becoming available during the year to incur obligations.

B-8. Change in Selected Resources (CSR). CSR is the difference between the undelivered order balances from period to period. CSRs are used to reconcile expenses recorded to obligations incurred (Detail Obligation Report).

B-9. Commitment. A reservation of funds based on firm procurement directive, order, or request that authorizes the creation of an obligation without further approval by the official responsible for certifying the availability of funds (i.e., a proper fund certified document that authorizes an obligation). Constitutes an administrative reservation of funds.

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B-10. Continuing Resolution Authority (CRA). An interim appropriation until permanent appropriations are enacted. Authorizes the continuation of normal operations at a rate not to exceed the latest congressional action or the previous year's rate and no new starts or expansions to a program.

B-11. Database Commitment Accounting System (dCAS). dCAS is a personal computer (PC) based, automated commitment ledger system for recording and managing commitments and funding data, and for uploading and receiving obligation transactions to and from STANFINS.

B-12. Detail Obligation Report (DOR). A STANFINS report which reflects individual transactions processed during the report cycle by APC, EOR, and DRN. Details are shown only once; there after, amounts are rolled into current month and fiscal year-to-date totals.

B-13. Disbursement. The payment for goods or services received which can be made in cash, by check, or by transfer of funds between appropriations or allotments. Disbursements are recorded on basis of certified paid vouchers.

B-14. Document Reference Number (DRN). A unique reference number assigned to each obligation document. The Army standard DRN is limited to 14 characters.

B-15. Economy Act Order (Section 1535, Title 31 U.S.C.). Orders placed on other U.S. Government agencies, including orders for work or services to be performed by components of the Department of Defense. Amount of obligation is limited to actual work or services performed in the current fiscal year for one-year appropriations or funds (i.e., OMA, SA, Military Assistance Program, and other one-year funds).

a. Economy Act Orders are permissible when in the best interest of the U.S. government, when ordered goods and services cannot be provided as conveniently or cheaply by a commercial enterprise, and when the U.S. Government agency or unit is in a position or equipped to supply, render, or obtain by contract those requested goods and services.

b. Provisions of the Economy Act Order statute do not apply to foreign governments. The terms and conditions for services and orders between U.S. and foreign government agencies are accomplished through formal agreements.

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B-16. Element of Resource (EOR). Four position numeric, alphanumeric code used to identify the kind of resource (money, manpower, material) and to classify the type of resource by type of service, goods, or other items being procured. The HQ USEUCOM Comptroller distributes periodic update listings as changes are issued by HQ DA.

B-17. Expense. Cost of goods and services received or consumed.

B-18. Fiscal Year. The Federal Government's yearly accounting period which begins 1 October and ends the following 30 September.

B-19. Foreign Affairs Administrative Support (FAAS). Term used in the annual State Department budget to designate common administrative support costs incurred by State in support of the Embassy and other agencies overseas and to distribute these costs equitably among FAAS agencies. The FAAS system includes common support services, supplies, and materials, salaries, benefits, quarters rent, office furnishings, utilities, travel, etc., of FAAS personnel.

B-20. Foreign Currency Fluctuation Account (FCFA). Appropriation allotment for disbursement of funds subject to foreign currency revaluation. FCFA open allotments established for eligible foreign currencies will be used to charge the difference between disbursements at the actual exchange rate and the budgeted exchange rate (applies to OMA).

B-21. Fund Allowances. Allowances issued to activities for execution (funding) of authorized missions and programs. Direct funds are issued in annual funding programs (AFP) distributed by the HQ USEUCOM Comptroller. Indirect funds, which augment direct funds, are reimbursable orders for goods and services (and other funds certified instruments) issued to HQ USEUCOM and which increase obligation authority to the amount stated in the order.

B-22. Fund Certifying Official. An individual, designated in writing by competent authority, who is authorized to certify the availability of funds within the designated scope of authority (delegation letter must be on file).

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B-23. International Cooperative Administrative Support (ICASS). Agreement that replaces FAAS agreements at DoS activities. Allows for a Board of Directors at the local U.S. Embassy to induce costs efficiencies and improved procedures to distribute costs of common services provided to ODCs and other agencies supported by the U.S. Embassy.

B-24. Intra-Government Agreements. An Economy Act order under section 1535, title 31, U.S.C.; a project order under section 23, title 41, U.S.C.; or a procurement order to another military department for reimbursable procurement (direct citation).

B-25. Joint Reviews. Review of unliquidated obligations conducted by the finance and accounting office and the applicable program or activity director's representative (DFAS-IN 37-1 requires minimum of three reviews per year).

B-26. Non-Stock Fund Orders and Payables (NSFOP). A STANFINS listing of open (unliquidated) obligations and travel advances.

B-27. Obligations. Amounts of orders placed, contracts awarded, services rendered, or other commitments made by Federal agencies during a given period that will require outlay during the same or some future period. Constitutes a legal reservation of funds.

B-28. Outlays. The amount of checks issued, interest accrued on the public debt, or other payments made (including advances to others), net of refunds and reimbursements. The term expenditure is often used interchangeably with the term outlay.

B-29. Security Assistance Organization (SAO). Term used to identify USEUCOM Military Assistance Advisory Groups (MAAGs), Offices of Military Cooperation (OMCs), Offices of Defense Cooperation (ODCs), U.S. Military Missions, USEUCOM Logistics Coordination Cells (ULCCs), and others with similar missions.

B-30. STANFINS. The Standard Army Financial System. The Army's standard finance and accounting system which records, classifies, summarizes, and reports all financial transactions.

B-31. Statutory Limitation. A restriction (limit) contained in an appropriation that establishes the maximum amount that may be obligated or expended from that appropriation or fund.

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B-32. Undelivered Orders. The amount of orders (i.e., obligations) for goods and services outstanding for which the U.S. Government has recognized and recorded a obligation.

B-33. Unliquidated Obligations. Obligations established for the goods and services not received or goods and services received, but not yet paid. Every recorded obligation is either valid and recorded correctly; valid but recorded incorrectly; or not valid.

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APPENDIX C

Fund Certification Authority

C-1. General. Authority to certify funds must be delegated in writing by HQ USEUCOM Comptroller or be specified by position as shown in Table C.1, this Appendix. Fund certification by officials not designated in writing by name or listed in Table C.1 is unauthorized and improper. This Appendix prescribes rules and provides sample format of delegation letter.

C-2. Delegation of Authority Rules.

a. Delegation of Fund Certification Authority (FCA) must be in writing to the person by name or by position (Table C.1) and specify that commitment accounting is required.

b. Delegation of FCA will be restricted to only those funds listed in the annual funding program (AFP) which are provided by the HQ USEUCOM Comptroller. The delegation letter will specify category of funds for which the FCA has been authorized (e.g., OMA, OMA/DCA, SA, OMA/ULCC, or APC when directed).

c. Officials occupying positions listed in Table C.1 who delegate FCA remain responsible for possible violations which result from failure to comply with fund control policies and procedures provided in this Directive.

d. Certification of fund availability will be affixed to all commitment and obligation documents, including travel orders for military and civilian personnel. Fund certification will be performed before commitment/obligation documents are released by the originating activity for further processing.

e. Certification of fund availability for expired (prior year) funds will be by HQ USEUCOM Comptroller or the HQ USEUCOM Budget Officer.

C-3. Acceptance of FCA. Officials delegated FCA are required to acknowledge acceptance, in writing, of their responsibilities as a Fund Certifying Official (FCO).

a. FCOs must follow fund control procedures and principles explained in this Directive and applicable references. Officials delegated FCA must have on file an authorized, signed letter of delegation and acceptance.

b. An example of an approved delegation letter is shown on page C-2. Table C.1 (page C-3) lists positions authorized FCA by this Directive.

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C-4. Use of Fund Certification Authority. Prior to the certification of funds, FCOs must ensure that funding is available. FCA alone is not sufficient to certify Appropriated Funds. The availability of uncommitted funding, sufficient allocation authority, and the propriety of the expense must be validated prior to fund certification. See Appendix C for details on the proper obligation of funds.

C-5. Sample Delegation of Authority Memorandum.

Fund Certification Authority		
Issued To: MAJ Washington Fiscal Officer, ODC GR	Issued By: BG Solomony Chief, ODC GR	Date Issued: 1 OCT 95
Fund Categories: OMA ULCC/DCA/Bilateral, SA		
Authority: You are hereby authorized to certify availability of funds citing the above fund categories. You are not authorized to redelegate this authority.		
<p style="text-align: center;">Special Instructions</p> <ol style="list-style-type: none"> 1. You must read, be thoroughly knowledgeable of, and comply with appropriate provisions of ED 50-2, DFAS-IN Reg 37-1, AR 1-75 and DFAS-DE, SAO Accounting Procedures (18 Sep 95). 2. You are required to maintain resource control ledger (RCL) and formal commitment accounting to prevent overuse and over-obligation of funds provided in funding program. You will maintain separate RCL for each fund category and limitation. 3. You will advise me of any instance when commitment or obligation has occurred without proper fund certification authority. 4. You will advise me immediately of any instance when a resource target or fund limitation has been exceeded. 5. You will comply with all legal instructions issued. 		
Signature Of Authorizing Official: Signed BG Solomony	Signature Of Accepting Official: Signed MAJ Washington	

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Table C.1

Designation of Fund Certification Authority (FCA) by Position			
Special Instructions			
<p>1. Incumbent officials in positions designated in this table are authorized to certify availability of funds provided by HQ USEUCOM Comptroller. You are authorized to redelegate FCA, using procedures prescribed in Appendix C, ED 50-2. You must ensure you, and officials delegated FCA by you, are thoroughly knowledgeable of the comply with ED 50-2 and applicable fund administration rules in DFAS-IN Reg 37-1, AR 1-75 and DFAS-DE SAO Accounting Procedures (18 Sep 95). You will ensure resource control ledger (RCL) and commitment accounting are maintained to prevent the overobligation of funds made available in quarterly target and AFP. You will ensure RCL is maintained for each fund category and fund limitation.</p> <p>2. You will ensure HQ USEUCOM Comptroller is immediately advised when commitment or obligation has incurred without FCA and when resource target or limitation has been exceeded.</p>			
Position	Location	Position	Location
Chief, ODC	Albania	Chief, ODC	Morocco
Chief, ODC	Austria	Chief, ODC	Netherlands
Chief, ODC	Belgium	Chief, ODC	Niger
Chief, ODC	Botswana	Chief, ODC	Norway
Chief, ODC	Bulgaria	Chief, ODC	Poland
Chief, ODC	Cameroon	Chief, ODC	Portugal
Chief, ODC	Chad	Chief, ODC	Romania
Chief, ODC	Czech Rep	Chief, ODC	Russia
Chief, ODC	Denmark	Chief, ODC	Senegal
Chief, ODC	Estonia	Chief, ODC	Slovakia
Chief, ODC	France	Chief, ODC	Slovenia
Chief, ODC	Germany	Chief, ODC	S. Africa
Chief, ODC	Greece	Chief, ODC	Tunisia
Chief, ODC	Hungary	Chief, ODC	Turkey
Chief, ODC	Italy	Chief, ODC	Ukraine
Chief, ODC	Latvia	Chief, ODC	Utd Kingdom
Chief, ODC	Lebanon	Chief, ULCC	Utd Kingdom
Chief, ODC	Lithuania	Chief, DCA	Israel
Chief, ODC	Macedonia		

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APPENDIX D

Resource Control Ledgers (RCLs) and Accounting Reports

D-1. General. The RCL is a local record of transactions, similar in many aspects to a checkbook register, that shows the current status of funds and commitment and obligation document numbers which have been certified for fund availability. It is a required management tool which must be used to monitor use of funds and prevent overuse or over obligation of funds. The number of RCLs should be minimal; however, an RCL must be maintained for each separate appropriation (OMA, SA, Procurement, etc.), funding program (OMA BA12, OMA BA44, etc.), and fund limitation or allowance (i.e., representation allowance, Flying Hours, etc.) to preclude statutory violations and misuse of funds. The integrity of RCLs must be maintained by performing reconciliations to the official accounting reports. Also, performing the joint reviews (paragraph 16, basic Directive) will help ensure accurate RCLs.

D-2. Resource Control Ledgers. All personnel who possess fund certification authority for appropriated funds must maintain a RCL to track those funds. This RCL must be kept current and used to validate fund availability PRIOR to fund certification.

a. It is highly recommended that the RCL be automated, using the database Commitment Accounting System (dCAS) or the Security Assistance Automated Resource Management System (SAARMS). If neither of these systems are applicable to a particular appropriation, an automated Spreadsheet or similar manual system should be locally developed. The use of the Security Assistance Resource Management System (SAARMS) as a resource control ledger for SA and OMA funds in Offices of Defense Cooperation (ODC) is mandatory.

b. The RCL must include those entries necessary to maintain an audit trail of fund usage, status of funds, and reconciliations with accounting reports. While the specific names of various portions of the accounting record varies within DoD, all RCLs should contain, at a minimum, the following data: (Note: Army abbreviations and terms are used as examples)

(1) Title, Program, and Account. This is descriptive data which identifies title of RCL, program or fund category, and account. The data is needed to keep track of the funds and accounts being charged.

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(2) Total Annual Funding Program (AFP). This is the annual budget established for the account, as specified in the funding letter issued by HQ USEUCOM Comptroller. Do not confuse this amount with the cumulative obligation target which establishes quarterly allocation. The AFP serves as a reminder and reference base for annual budget.

(3) Cumulative Obligation Target (Allocation, allotment, or Quarterly Authority). This column is used to record the allocated portion of your APF available for obligation. The allocation amount must not be exceeded without coordination/approval by HQ USEUCOM Comptroller to make requested adjustment. Obligation target also serves as commitment target.

(4) Date of Entry. Self explanatory.

(5) Document Number. Standard document reference number (DRN) prepared in accordance with Appendix K.

(6) Element of Resource or Expense. The EOR corresponds to established codes for categorizing fund expenditures that identify the type of item being purchased. (e.g., Army EORs 21T1/21T2 represent mission travel and per diem). These codes may vary by appropriation, reference applicable Service regulations for correct codes.

(7) Description/Remark. This column must identify source document and explain the nature of the expense.

(8) Commitments (Commit Amount). Documents requiring fund certification must be posted to the commitment column in the amount shown. Each obligation recorded in the RCL must be matched to a corresponding commitment. Commitments will be adjusted to actual obligations.

(9) Cumulative Commitments (Cum Commit). Year to date sum of recorded commitments and adjustments.

(10) Uncommitted Balance (Uncommit Balance). Cumulative obligation target less cumulative commitments equals the uncommitted balance (automatic if using automated RCL).

(11) Obligations (Oblig Amount). Enter amount which legally binds HQ USEUCOM Activities to make payment. Some obligations may be simultaneously recorded with commitments (e.g., travel orders). If obligation is established subsequent

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to the commitment, any required adjustment will be recorded on the next open line in RCL and cross referenced to the original commitment entry. Amount recorded in RCL is amount shown on document.

(12) Cumulative Obligations (Cum Oblig). Year to date sum of recorded obligations (automatic if using automated RCL).

(13) Unobligated Balance (Unoblig Balance). Cumulative obligation target less cumulative obligations equals unobligated balance (automatic if using automated RCL).

(14) Master RCL may be established for summary posting of detail entries maintained in subsidiary RCLs. This may be advantageous for HQ USEUCOM Activities having high volume transactions. If subsidiary RCL is used, remarks in master RCL must so indicate because document reference number will not be shown. Subsidiary RCL must be auditable (trackable) to summary postings in RCL.

c. Reconciliation Procedures. The RCL must be reconciled to the actual accounting records to verify accounting records and assure RCL agreement. This reconciliation should validate, by DRN, the individual transactions that were entered into the accounting system. It is essential that HQ USEUCOM Activities perform this reconciliation to validate all RCL entries. The RCL status simply cannot be relied upon to maintain adequate fund control without proper reconciliation.

(1) Each transaction in the accounting reports must be tracked to the RCL to verify that the data has been recorded correctly. Each reconciled transaction will be annotated in RCL. This annotation means the RCL and accounting records are in agreement to your satisfaction. Entries not annotated are unrecorded obligations.

(2) Transmittal letters (TLs) and feeder reports will be processed in entirety as a single block of input. Actual obligations should be validated to ensure complete processing of all transactions.

(3) The STANFINS DOR or the DFAS-DE reports are the official accounting records not the local Resource Control Ledger. Therefore, the RCL must be brought into agreement with these reports (or HQ USEUCOM Activity must identify miss-posted

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entries and contact the applicable accounting office for correction or resolution). Overstated or unidentifiable obligations reported in the accounting records must be posted to RCL and retained until corrective adjustment has been processed. Errors, or what appear to be errors, must be marked in RCL. If the accounting technician states a transaction in question is supported by documentary evidence, HQ USEUCOM Activity should request a copy of the document for further clarification. Errors in data fields will be corrected by processing a cost correction TL or feeder report.

D-3. STANFINS Accounting Reports. For appropriations maintained by the 266th TFC, two STANFINS reports, the DOR and Non-Stock Fund Orders and Payables (NSFOP), are essential to fund administration and control. Each is discussed below.

a. Detail Obligation Report (DOR). The DOR contains all detail obligations and change in selected resources (CSR) processed during the report period. The line item detail appears only once in the DOR. Thereafter, individual transactions are rolled in month to date (MTD) and year to date (YTD) totals by APC, EOR, and DRN. As the DOR contains YTD obligation information it should be used to balance your RCL.

b. Non-Stock Fund Orders and Payables (NSFOP). The NSFOP contains the detail status of unliquidated obligations by the "as of" date (as of date = report cut off date). The detail is shown by APC, EOR, and DRN. This report is essential to conducting reviews of unliquidated obligations. Obligation dates which are aged and show no disbursement activity are flags to research and validate, or to liquidate as an invalid obligations for whatever reason(s). The NSFOP does NOT contain ALL obligations for the fiscal year, obligations that have been 100% disbursed are not shown. Total obligations on the NSFOP represent the total of OPEN obligations only.

D-4. DFAS-DE Accounting Reports. For appropriations maintained by DFAS-DE, Open Obligation Document Report (OODR), Unidentified Disbursements Report (UDR), Disbursements in Excess of Reported Obligations (DIERO), and Reported Obligations in a Credit Position (ROCP) reports, are essential to fund administration and control. Each is discussed below.

a. Open Obligation Document Report (OODR). The OODR report shows total obligations that have disbursements that are less than the obligation or do not have a disbursement recorded

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for your OBAN by fiscal year. This report should be reconciled to the Open Document Report generated by SAARMS.

b. Unidentified Disbursement Reports (UDR). The UDR shows disbursements to your OBAN by fiscal year that have an incomplete or a missing document number. The comment column of this report will request the type of action required to reconcile entries on this report.

c. Disbursements in Excess of Reported Obligations (DIERO). The DIERO shows disbursements in excess of obligations by OBAN and fiscal year. The column labeled DFAS PAID AMOUNT shows the actual amount of the disbursement paid and the Unpaid Obligations column shows the amount that needs an adjustment so that a final payment can be made. This report can be used to correct the Unpaid Obligations if the errors are caused by DFAS by marking the correction on the report and faxing it to DFAS-DE.

d. Reported Obligations in a Credit Position (RCOP). The RCOP shows undisbursed balances for documents recorded for your OBAN by fiscal year. Adjustments to this report must be done by a SAARMS generated feeder report to DFAS-DE.

D-5. Records and Files. Paragraph 18 (Processing Commitment, Obligation, and Expense Documents) of basic Directive discusses records and files. The following records are required to support our RCL. Contact your files manager, for the long term disposition of closed obligations and other permanent records.

a. Assign unique document reference number (DRN) to each document and record this number in RCL (prevents duplication). Make certain that construction of the DRN follows specific guidance contained in Appendix K of this Directive.

b. Maintain a commitment file to support all commitments entered into RCL until superseded by an obligation document. Attach commitment file to the file copy of the obligation document.

c. Maintain an obligation file to support all obligations entered into RCL (must reconcile to and support all obligations recorded in STANFINS Non-Stock Fund Orders and Payables (NSFOP) listing or the Open Obligation Document Report).

d. Maintain a suspense document file for "in transit" documents to the accounting office and unresolved discrepancies.

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APPENDIX E

Obligation Rules

E-1. General. All HQ USEUCOM Activities are bound by obligation rules which apply to all agencies of the U.S. Government. These rules are set forth in law (statute); OMB Circular A-34, Budget Execution; decisions by the U.S. Comptroller General - head of the General Accounting Office (GAO); and in Defense Department guidance implemented by DoD Directive/Instruction, and Service implementing regulation. DoD Directive 5100.3 requires all funds made available to HQ USEUCOM be administered by implementing the regulations established by Headquarters, Department of the Army (HQDA) and the Defense Finance Accounting Service (DFAS). All HQ USEUCOM Activities must follow obligation rules.

E-2. Basic Obligation Rules (DFAS-IN Reg 37-1, Chapter 9).

a. The bonafide needs rule states that current year funds will be obligated only for goods and services that are required for the current fiscal year, but not to exceed period of availability of an appropriation or fund.

b. Obligation authority must be granted to certify fund availability prior to the obligation of appropriated funds. For HQ USEUCOM activities, only current year fund certification authority is granted. All certification of prior year funds to include valid price increases must be processed through ECCM.

c. Commitments for Army supply system items are incurred when orders are placed. Obligations are automatically recorded when a customer requisition is passed to a National Inventory Control Point (NICP), Defense Logistics Agency (DLA), General Services Administration (GSA), or filled from inventory. Supply requests are similar to contracts and must be processed in a controlled manner as follows.

(1) Orders are placed when requisitions are processed. Only stock record account holders and property book officers are authorized to process (submit) requisitions (DD Form 1348).

(2) Requisitions may be processed while the supply system remains open. The supply activity should remain open through last day of month to ensure all requisitions are processed.

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(3) Once the supply system is closed for the current fiscal year, requisitions may not be processed. This means no more supply obligations can be incurred for that fiscal year.

(4) MODs may be used to obligate supply requisitions if supported by DD Form 1348 and a valid supply status from a supply supporting activity. At Patch Barracks, DD Form 1348 requisitions are submitted to DOL based on DA Form 2765 orders.

d. Funds current at the time a supply order was placed but subsequently cancelled by a supply ordering activity at no fault to the customer may be charged (reused) to reorder the same item even if the reorder takes place in the following fiscal year.

E-3. Obligation Tables. Tables E.1 through E.6 list applicable obligation rules. Tables are not all inclusive due to numerous rules covering full range of operations. Source is DAFAS-IN 37-1.

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Table E.1

General Principles of Obligation Rules

Principle	Requirement
Obligate funds only for purpose authorized by Congress and/or permitted by statute. Use of OMA, SA, and OPA funds differ.	31 U.S.C. 1301a. Do not obligate or expend funds for a purpose not authorized by law. Silence is not authority.
Obligate funds only if requirement is a bonafide need of the current fiscal year:	31 U.S.C. 1502a. Do not use future or prior year funds for orders and services legally binding in current year.
Must have written documentary evidence to support obligation of funds. Date on document must be within current FY.	31 U.S.C. 1501. Amount shall be recorded as an obligation only when supported by documentary evidence.
Do not obligate/expend funds in excess of obligation target or annual funding program (AFP).	31 U.S.C. 1517. Obligations and expenditures in excess of available funds is a reportable Antideficiency Act violation.
Note: No more than twenty percent (20%) of OMA funds provided in AFP will be obligated during last two months of fiscal year.	

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Table E.2

Travel/Transportation Obligation Rules

If Obligation Is For-	Rule: Obligate-
<p>Temporary duty (TDY)</p> <p>a. Transportation and Transportation Request (TR)</p> <p>b. Per diem allowance and other reimbursable costs.</p> <p>c. Blanket travel orders (BTO)</p>	<p>Not later than month travel begins.</p> <p>a. Estimated cost of travel..</p> <p>-if TR bought 28 Sep and travel begins 1 Oct, cite next FY funds subject to appropriation by Congress.</p> <p>-if TR bought 28 Sep and travel begins 30 Sep, cite current FY funds.</p> <p>-charge total round trip TR cost to current FY if return is next FY.</p> <p>b. Estimated cost of travel.</p> <p>-if TDY covers two fiscal years, allocate cost to each FY (e.g., TDY start 28 Sep; return 5 Oct).</p> <p>c. Estimated cost (same as above).</p>
<p>Permanent change of station (PCS)</p> <p>a. Civilian personnel</p> <p>b. Military personnel</p>	<p>Funds current when PCS orders are issued.</p> <p>a. Authorized reimbursable costs for per diem, temporary subsistence, transportation requests, and Gov't bills of lading (GBL). Incoming also receive misc. expense NTE 2 weeks gross pay. <u>Gaining</u> activity funds temporary qtrs., subsistence, and misc. expense.</p> <p>b. Funds current at time Service member departs from duty station.</p> <p>- Note: HQ USEUCOM does not use operating funds for MIL PCS (funded by respective MILDEP).</p>

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Table E.3

Contract/Purchase Order/Rental Obligation Rules

If Obligation Is For-	Rule: Obligate-
Firm fixed price	Stated fixed price on signed contract.
Indefinite delivery, definite quantity	In full (stated price) when contract is signed.
Indefinite delivery, indefinite quantity	Stated minimum when contract is signed and adjustments for orders issued when quantities exceed stated minimum.
Changes in quantities to be delivered	Price of specified quantities.
Letter contract	Stated maximum liability when contract is accepted or awarded (award notice).
Subscription	Funds current when contract is signed.
Tuition, fees, books, supplies, and classroom materials	Funds current when semester begins or when registered; supplies when ordered. -DoDDS 1st semester charged to funds current FY; 2nd semester to next FY. -Private school same as DoDDS. Full payment requires school written confirmation if all funds are to be charged to current year.
Maintenance, service, and rental (lease)	Funds current when contract is signed (tools, facilities, and real property).
a. 12 months or less	a. Amount of contract any time in FY.
b. Over 12 months	b. Amount needed for current FY. Use next year's funds when received.
c. Foreign housing leases (SA funds only)	c. Entire amount to funds current if over 1 year and IAW local laws/customs.

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Table E.4

Intra-Government Agreements/Stock Fund Requisitions

If Obligation Is For-	Rule: Obligate-
Economy Act order with another MILDEP/agency.	When performing agency accepts order.
a. Direct fund cite procurement/service order	a. When contract is signed by performing activity. -contract scope must directly relate/ be identifiable to requesting activity. -unrelated order/contract scope will not be obligated (not bonafide need).
b. Reimbursable order with another agency	b. Based on cost estimate of services requested in FY. At fiscal year end or earlier, adjust obligation/order to actual work performed in current FY (coordinate with performing activity).
Order issued for which GSA National Buying Program is source or through Nat'l Inventory Control Point (NCIP)	When order is issued. -if Regional Supply Support Activity (RSSA) placed order, obligate upon receipt of item. -if stock funded order placed by requesting activity directly through SAILS/STARFIARS/STANFINS, obligate when order is placed. -if embassy supported SAO, obligate when order is placed by General Supply Officer.
National stock item catalogue price adjustment	When catalogue price change is issued. Stock funded orders/corresponding catalogue price changes automatically obligated (approximate 3% price update is run in Sep of each FY).
Unobligated machine posted supply orders	When supply requisition, DD Form 1348/ supply status report is available using MOD (coordinate with 266th TFC).

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Table E.5

Civilian Personnel Services/Miscellaneous Obligation Rules

If Obligation Is For-	Rule: Obligate-
Civilian salaries and benefits	Estimated liability to end of month based on personnel records.
Incentive awards and allowances including chauffeur uniforms	In the month of entitlement. -When final approving authority signs the incentive award. -When uniform allowance/replacement is necessary (NTE \$300/yr per driver).
Severance pay - FSN	When allowance is earned; adjust amount accrued as a result of pay change using funds current whether or not payable.
Severance pay - change in exchange rate	Adjust obligation 3rd qtr each FY when rate has fluctuated 10% or more.
FSN transfers from one agency to another	Losing agency is liable for accrued adjusted separation allowances and all subsequent fluctuations in foreign currency exchange rate until notified of employee's separation and payment of allowance by gaining agency.
Imprest funded items	Funds current when imprest fund is reimbursed.
FMF/IMET training orders	Funds current when either funded FMF orders or valid travel authorizations are received.
OMA fund purchases in overseas local currency	Funds current at budgeted rate established for eligible foreign currencies.
Overseas agreements with other agencies	Obligate funds at actual U.S. dollar rate for estimated cost of requested work and services (e.g., SAO agreement with embassy); adjust near year end.

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Table E.6
Adjustments

If-	Then-
Contract with vendor or gov't agency allows for amendment/modification	Obligate funds cited on the original contract. Note: Prior year fund certification authorized only for ECCM-B personnel.
Increases or decreases, correcting mistakes, or formalizing agreements	Obligate funds cited on the original contract; if change in scope, obligate funds current when amendment is signed.
Contract terminated for gov't convenience	Adjust recorded obligation to estimated settlement costs.
Contract terminated due to contractor default	Obligate funds cited on the original contract.
Anticipated price reduction on contract	Adjust original obligation as agreed by contracting officer and contractor.
Contingent liability exists	Obligate funds cited on the original contract.
Discretionary cost increases in cost-reimbursement contract	Obligate funds originally cited if contract ceiling is not exceeded. If cost increase exceeds ceiling but does not change contract scope, use either funds current or funds in the original contract.
Liabilities evidenced by expenditure document	Obligate expenditure documents if not previously obligated.
Public utilities (gas, electricity, water, telephone, sewer)	Funds current in the month billing period ends, even if billing period is split between fiscal years. Process MOD before year end based on estimate.
Goods and services delivered/accepted but funds not obligated	Record obligation in accounting period executed regardless of availability of funds (includes MILSTRIP requisitions).

APPENDIX F

Administration of Funds

F-1. General. HQ USEUCOM receives a variety of funds which are subject to different rules and purposes that may or may not be used to fund the same types of operating and support costs. Appropriation acts, statutes, OMB and DoD implementing instructions, Army regulations, and other guidance require fund accountability and control systems that ensure auditability for each separate program and limitation. These requirements make it essential for HQ USEUCOM Activities to use all appropriated, non-appropriated, and FMS administrative (SA) funds only for the purpose intended. This Appendix provides procedures and guidance which assist the proper administration of HQ USEUCOM operating funds. A section also provides instructions on use of the Military Interdepartmental Purchase Request (MIPR). Contact ECCM for guidance if a particular matter is not covered in this Appendix.

F-2. FMS Administrative Funds (hereafter referred to in this Appendix as SA) contrasted with OMA Appropriated Funds.

a. SA funds are derived from the combination of Foreign Military Financing (FMF) and FMS trust funds. FMF funds are appropriated to the President, then allocated to the SECDEF under Executive Order 12163. While FMF and FMS funds are not part of DoD appropriations, they are subject to the same fiscal controls and regulations as all DoD appropriations (OMB Circular A-34; 31 U.S.C., chapters 13/15; DoD 5105.38-M). OMA funds on the other hand are one hundred percent (100%) appropriated and subject to specific restrictions, limitations, and authorizations contained in annual defense authorization and appropriation bills. Whether SA, OMA, or other type funds, fund control procedures, statutes, and other guidance in this Directive apply.

b. Rules governing use of SA and OMA funds are not the same. Discussion of similarities and differences are listed in Table F.1 (not all inclusive).

F-3. Cost Prorating Between SA and OMA. This section applies to SAOs receiving SA and OMA operating funds and provides guidance and procedures for OMA reimbursable cost transactions. Requirement for SA/OMA cost sharing depends on whether appropriate charges are direct cited or initially charged 100% to SA funds (e.g., utilities). Direct fund citing is the preferred method because the appropriate SA/OMA accounts are initially charged for operating expenses (supplies and services). A cost transfer is required, for example, when only one fund cite is

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provided on an order for services rendered but the cost is an appropriate charge (expense) to both SA and OMA funds.

a. Basis of Cost Reimbursement/Cost Prorating. FAAS or ICASS cost reimbursement and prorating SA/OMA shared costs must be based on the ratio of SA and OMA spaces or billets in accordance with JMP authorizations. All SAO billets should be considered for cost prorating (e.g., DCA, ODC, bilateral, ULCC, etc.) when determining cost reimbursement/sharing ratios to be used. Two examples follow:

(1) Example 1 - FAAS or ICASS cost reimbursement: ten JMP positions are assigned to SAO, of which seven are in SA and three in DCA; allocate 70% of FAAS or ICASS costs to SA and 30% of allowable costs to OMA. FAAS or ICASS costs are not prorated to the ULCC program because ULCCs have separately BA 12 funded FAAS or ICASS agreements.

(2) Example 2 - Cost sharing: assume thirty positions are assigned to the SAO of which fifteen are SA, four are DCA, 13 are ODC/bilateral, and two are ULCC. Prorate as follows:

<u>JMP Billets</u>	<u>Activity</u>	<u>Funds</u>	<u>Program</u>	<u>% TOT</u>
15	SAO/SA	SA	N/A	50.0
13	ODC/DCA	OMA	BA 44	43.3
<u>2</u>	ULCC	OMA	BA 12	<u>6.7</u>
30				100.0

b. Cost Sharing - Direct Fund Citation Method. Care must be taken to ensure costs properly chargeable to SA but not allowable for OMA are not treated as shared costs. Table F.2 lists types of expenses that most likely can be charged to a single fund cite on a document at the time it is prepared for processing. These transactions obviously do not require cost transfers. Salaries normally will be charged against funds of assigned billet (overtime should be paid by primary mission). Table F.3 lists the types of expenses which most likely require cost sharing either by direct multiple fund cite method or by cost transfer method. Procedures for multiple direct fund cite transactions follow.

(1) Step One - Request embassy B&FO or other support activity process multiple fund cite transaction. If transaction is refused on basis of multiple versus single fund cite and can not be resolved, then proceed to paragraph F-3e.

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(2) Step Two - Determine prorata cost share between SA and OMA based on JMP authorization ratio. Observe exceptions for shared costs to preclude improper use of OMA funds (see Table F.1).

(3) Step Three - Submit the requisition or order to the embassy GSO or other support activity for processing showing the breakout by percentages, multiple fund cites, and the associated amounts. Ensure each transaction clearly states that costs are to be allocated as indicated on the request. Likewise, ensure monthly obligation data reported to 266th TFC and DFAS-DE accurately report shared costs. Verify that disbursements properly follow shared costs by performing fund reconciliations (see Appendix D).

c. Cost Sharing - Cost Transfer Method. Follow above procedures (paragraph F-3a) for determining cost share ratio. Use the following procedures for preparing/processing documents to make appropriate charges to OMA and credits to SA for supplies, materials, and services initially funded by SA funds, which are properly allocable to both OMA and SA.

(1) Step One - Prepare cost allocation worksheet using best estimates for each category. Worksheet and other documentation such as vendor estimates, intra-government agreements, and utility bills are used to support related SF 1081 transaction.

(2) Step Two - Process SF 1081 at least quarterly to effect the cost transfer (charge to OMA and credit to SA). It is essential that the fourth quarter transaction be forwarded to the 266th TFC and DFAS-DE before year end close out in accordance with year end closing procedures. Failure to process SF 1081 before close out will overstate SA obligations and understate OMA obligations. Moreover, because a MOD does not precede the cost transfer, other problems such as overobligation of funds may be caused.

(3) Step Three - Send SF 1081, under separate TL, to ECCM-B for approval and submission to the 266th TFC for processing. As the SF 1081 cost transfer creates simultaneous obligation and disbursement of funds at the time it is processed, no additional feeder report is required.

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d. FAAS/ICASS Payments. FAAS/ICASS payments to the supporting Embassy should be made directly from each individual fund cite using the direct fund cite method discussed below. Any requests for an exception to this policy must be approved by ECCM-B. SA FAAS costs will be paid directly by DSAA. OMA payments will be paid by the 266th TFC.

F-4. JCS Exercise Funds. JCS exercises designated at the JCS Exercise Conference are funded in OMA BA 11 and are subject to limitations listed in AR 350-28. Table F.4 summarizes proper and improper obligations/expenditures of JCS exercise funds.

a. Use BA 11 funds if participation is voluntary and to train HQ USEUCOM personnel.

b. Use BA 44 funds if participation in an exercise is primarily to support/assist the sponsoring nation.

c. JCS exercise (BA 11) funds are fenced and therefore will not be used for any other purpose/program.

F-5. CINC Command and Control Initiatives Program (C2IP).

a. General. A fixed amount of appropriated funds are provided to the CINCs each fiscal year for developing and implementing C2 systems within their AOR. Office of Joint Chiefs of Staff (OJCS) is responsible for annual validation/approval of projects submitted by the CINCs.

b. C2IP Funds. C2IP consists of three appropriations: Research, Development, Test and Evaluation (RDTE), Other Procurement Army (OPA), and O&M. Because these appropriations are used for different purposes and the respective period of availability of funds for obligations varies, caution over use of funds must be exercised to preclude misapplication. Period of availability of C2IP funds is as follows: Procurement - three fiscal years; RDTE - two fiscal years; O&M - one fiscal year. Policy guidance in ED 100-21 will be followed for obligation of funds. Table F.5 provides guidance on proper and improper uses of C2IP funds.

F-6. Conduct of Cooperative Programs with Friendly Nations (Title 10 Program).

a. General. Title 10 provisions (amended Oct 1986) authorize unified commanders additional means of assistance for developing countries, which are determined to be in the national

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security interests of the United States. The term "developing country" for purposes of this program generally refers to select African and Eastern European countries within the HQ USEUCOM area of responsibility. CINCEUR will consider deviations on case-by-case basis. Amended provisions grant the following authorities:

(1) Humanitarian and Civic Assistance (H/CA) provided in conjunction with military operations.

(2) The payment of incremental expenses of developing countries during combined exercises.

(3) The payment of certain expenses of defense personnel from developing countries to attend bilateral and regional seminars, conferences, and similar meetings.

b. Funding and Administration. Title 10 funds are subject to congressional limitation and require OSD/JCS project approval, and after action reporting. Commitment, obligation, or expenditure of funds under Title 10 authorities is prohibited without the specific approval by OSD; JCS, and the ECJ4 program manager. Because project approval requires coordination with ECJ4, JCS, and OSD, early planning is essential to obligate funds and execute the program within period of availability of funds.

c. Use of Funds. Table F.6 lists allowable and prohibited uses of OMA Title 10 funds (list not all-inclusive). Questions concerning use of funds will be coordinated with ECJ4 program manager and HQ USEUCOM Comptroller. Questions regarding use of funds for medical supplies for Civic Assistance projects will be coordinated with ECMD and HQ USEUCOM Comptroller.

F-7. Specific Fund Limitations.

a. Limitations restrict obligations or expenditures from an appropriation or fund to a specific amount. Exceeding a limitation at the level of subdivision is a reportable violation.

b. Some funds provided HQ USEUCOM are subject to limitations which, if exceeded, may require investigation. Table F.7 lists fund limitations which are applicable to HQ USEUCOM. Officials who have been delegated fund certification authority, or who are appointed fund custodians, are responsible for observing these limitations. Failure to comply may cause a reportable violation of the Anti-deficiency Act for which accountable officials will be identified in the report and made subject to administrative and disciplinary actions.

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F-8. Military Interdepartmental Purchase Request (MIPR). The MIPR, DD Form 448, and MIPR acceptance, DD Form 448-2, are used throughout DoD activities to order, accept, and perform requested services. Chapter 12, DFAS Regulation 37-1, details the procedures for issuing and accepting MIPRs. In general, the following responsibilities apply:

a. Issuing activity responsibilities.

(1) Prepare DD Form 448 providing specific information to performing command concerning reference project and services to be performed.

(2) Certify fund availability if delegated as specified in Appendix C; otherwise, follow ECCM procedure.

(3) Obligate funds into STANFINS either (1) upon receipt of signed DD Form 448-2 accepted on a reimbursable basis or (2) upon receipt of actual obligating documents if accepted on a direct basis.

(4) Amend MIPR as required due to revised estimates, changed services, and other mutually agreeable reasons. Review becomes critical in fourth quarter concerning status of funds.

b. Performing activity responsibilities.

(1) Accept or reject DD Form 448-2. Performing command prepares DD Form 448-2, but experience shows better response if issuing HQ Activity forwards a prepared copy of the DD Form 448-2 (with known information included on the form) along with the original MIPR.

(2) Ensure total estimate (block 11) is not exceeded; must obtain approval/additional funds from issuing command.

(3) Provide required documents to issuing command. This will be the actual obligation documents used if the MIPR is accepted direct or copies of the Reimbursable Earnings statements if accepted reimbursable.

(4) Monitor performance of project/requested services. Notify issuing command of excess funds available for withdrawal (using DD Form 448-2, Block 12b).

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Table F.1

SA and OMA Funds - Similarities and Differences

Item	SA	OMA	Remarks
Vehicle Purchase	Yes	No	Army Procurement Appropriation (OPA) only (support by USAREUR).
Leased Vehicles/ Equipment (e.g., office machines)	Yes	Yes	Lease agreements allowed up to 12 months; may begin anytime in FY provided lease has no termination clause. Note for SAO: If lease is between support activity and vendor and not the SAO and vendor, then support and cost must be arranged under intra-government, FAAS, ICASS, or other mutually acceptable agreement consistent with this Directive (see Appendix E).
Family Leased Housing	Yes	No	Only Army Family Housing (AFH) appropriated funds may be used, not OMA. Number of leases and cost is subject to congressional control. AR 1-75 prescribes that housing will be obtained at personal expense using BAQ, overseas housing allowance (MILPER), and LQA (CIVPER). Government leases are the exception. DSAA approval required for leases over \$20,000.
Property/Equipment Purchase (Excludes Vehicles)	Yes	Yes	OMA limited to less than \$100,000 for non-centrally managed Base Commercial Equipment (BCE); use OPA if \$100,000 or more. Both FMS and OMA are subject to logistics approvals and property accountability.
Security Upgrade Of Family Leased Housing	Yes	No	Use of OMA prohibited (authority under AFH is with USAREUR). SA authority is in AR 1-75/ED 25-1 (DSAA approval level is \$20,000).

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Table F.1
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SA and OMA Funds - Similarities and Differences

Item	SA	OMA	Remarks
TDY/Travel	Yes	Yes	Purpose dictates fund; i.e., if DCA cite OMA, if SA cite FMS, if both cite primary purpose fund.
Consecutive Overseas Tour (COT); Student Travel; Environmental and Morale Leave (EML);	Yes	Yes	Charge unit funds which support member or U.S. CIV. (Note OMA BA 12 centrally managed by ECJ1). Do not exceed OMA MILDEP student travel fund limitation.
Medical/Dental Care Travel	Yes	Yes	Must be in accordance with Appendix G; U.S. CIV have no entitlement except FMS funded emergencies.
Greeting Cards/ Personal Calling Cards/XMAS Cards	No	No	These are personal expenses and are prohibited by the Joint Committee on Printing (see AR 25-30).
DoDDS/Equivalent Education Tuition Fees	Yes	No	FMS must pay for dependents of SA assigned billets; DoDDS funds cost of tuition for OMA funded billets.
Representation Allowances	Yes	Yes	Must follow ED 50-12 (representation funds). Must use AR 381-141 for miscellaneous expense (.0017) limitation for Intel activities. Do not exceed fund limitation.
Imprest Funds	Yes	Yes	Use of funds must be in accordance with AR 37-103, Chapter 8, even if SAO support by embassy GSO.
Foreign Currency Fluctuation Account (FCFA)	No	Yes	FCFA does not apply to FMS. Charge the difference between budgeted and actual exchange rate for goods and services bought in local currency to OMA FCFA open allotment account (FCFA accounts in AR 37-100-XX).

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Table F.2

Cost Sharing - Common Direct Fund Cite Expenses

EOR/ EXP	Object Class	Remarks
1100- 1700	Salaries and Benefits	Payroll office(s) should have been provided names/fund cites of employees.
2100	Travel and Transportation	Entitlement travel - use appropriation or fund to which billet/sponsor's billet is assigned. TDY - use purpose of trip. If TDY has dual purpose, base charge on main purpose of travel.
3100	Equipment	Direct cite primary user. Common use equipment (e.g., couch in reception area, water cooler) may be cost shared.

Table F.3

Cost Sharing - Multiple Fund Cite/Cost Transfer Expenses

EOR/ EXP	Object Class	Remarks
2300	Rents, Commo, Utilities	Prorate by cost transfer if multiple fund cites not used. Show multiple fund cites when contracted (includes lease/rental of copy machines).
2400- 2500	Printing, Repro, Other Contract Services	Includes contracted printing services, blanket purchase agreements (BPA), maintenance of office equipment/facilities.
2600	Supplies, parts, materials and publications	Charge directly procured to primary user. Prorate common office supplies. Publications will be directly charged or prorated for mission only requirements.
3100	Equipment	Do not prorate equipment costing over \$100,000 or vehicles to OMA; leasing permitted (see AR 37-100-XX).

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Table F.4

Administration Of JCS Exercise Funds

Expense Category	Allowed		Remarks
	Yes	No	
TDY/Per Diem/Travel/Transportation	X		-Include midyear and annual exercise review and scheduling conf (and RC while overseas).
-Planning and critique phases of JCS exercises			
-Service schools, pre-exercise training, and orientation courses		X	-Except for sponsor required pre-exercise controller/evaluator training allowed. (CPXs/FTXs)
-TDY/Per Diem while on exercise maneuvers		X	-When rations and quarters are available/furnished, whether or not used per JFTR.
-Noncommercial inland transport of equipment to/from JCS exercise	X		-Commercial port handling and inland transport to/from JCS EX area <u>not</u> allowed.
Civilian Pay/Overtime for Planning, Conducting or Evaluating JCS EX	X		For direct participation only. Include DAC, temporaries, and contracted special observers.
POL, Maint and Repair			
-Deploy, employ, and redeploy phase	X		-Directly attributable and limited to JCS exercise.
-Repair parts, supplies and equip for JCS EX	X		-Repair damage to POMCUS/other equipment subsequent to issue.
Supplies/Materials and Rental/Contract Services	X		Directly related to JCS EX deploy, employ, and redeploy.
Purchase, Lease/Rent of TA 50 or TOE/TDA Equip		X	Except to repair/replace damages from JCS Ex.
Land Maneuver Damage During JCS EX	X		Must be required under land utilization agreement.

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Table F.5

Administration Of C2IP Funds

Project/Description	Allowed		Remarks
	Yes	No	
HQ USEUCOM/Component C2 Projects Under \$300,000	X		C2 projects must support HQ USEUCOM (projects \$300,000 and over must go through PPBES).
Reprogramming Project Funds	X		Reprogramming JCS approved projects require ECJ6 action.
Projects Denied/Deleted from PPBS, OMB, Congress		X	C2IP funds will not be used for disapproved projects.
CINC Near-Term Fixes to Unforeseen Problems	X		Purchase of equipment/services for recurring project/mission requirements is prohibited.
Annual Operations and Maintenance Support Cost		X	Completed C2 projects will be supported by OMA budgets.
Test and Evaluate Equip or Procedures	X		Must enhance C2 capabilities and support RDTE effort.
Buy Hardware/Upgrade Software	X		Must be directly related to C2 effort.
Engineering Solutions	X		Effort must support solutions to C2 project/problem.
Manpower Requirements/Travel/TDY for experts		X	Must be within scope of contract.
C2 Equipment Purchases	X		Procure through normal DoD contracting support channels.
Note: Fund control procedures/obligation rules in this Directive apply. Control over/accountability of investment items must be maintained. RDTE/OPA funds must be obligated within 9 months of receipt; OMA obligations also within 9 months but NLT 30 Sep. Funds not obligated within these time limits will be withdrawn/reallocated to another JCS approved C2IP projects.			

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Table F.6

Administration of Title 10 Program Funds

Program Application	Funding Guidance
For all Title 10 Programs	<p>Use of funds is limited to assistance only for developing countries.</p> <p>Obligation and expenditure of funds must not exceed approved project funding level.</p> <p>Submit proposed projects to HQ USEUCOM/ECJ4 for inclusion in annual program submission. The USEUCOM program must be submitted to OSD-ISA (HA) and JCS/J7 to obtain SECDEF/SECSTATE approvals. Late submissions will be considered on a case-by-case basis.</p>
Humanitarian and Civic Assistance (H/CA)	<p>Activities must promote security interests of both the U.S. and the country in which the activities are carried out.</p> <p>Activities must promote operational readiness skills of U.S. armed forces personnel participating in the activities.</p> <p>Activities shall complement, but not duplicate, any other social or economic assistance that may be provided to the country concerned by any other U.S. Department or Agency.</p> <p>Activities shall serve basic economic and social needs of the people of the country concerned.</p> <p>Activities may not be provided (directly or indirectly) to any individual, group, or organization known to be engaged in military or para-military activity.</p> <p>Activities shall be carried out in conjunction with authorized military operations.</p>

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(Cont)Table F.6
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Administration of Title 10 Program Funds

Program Application	Funding Guidance
Humanitarian and Civic Assistance (H/CA) (Cont)	Activities in any foreign country require specific prior approval of the Secretary of State for such assistance.
Payment of Incremental Expenses for Developing Countries Combined Exercise Program (DCCEP)	<p>Cost of goods and services consumed as a result of country participation in combined exercise. Typical costs include training ammo, rations, transportation, and fuel; excludes pay, allowances, and normal costs of participating country's personnel.</p> <p>Funds expended must be a direct result of country participation, which is essential to achieving fundamental objectives of the exercise.</p>
Payment of Certain Expenses of Country Defense Personnel	<p>Authorized to pay personal expenses of defense personnel from developing countries to attend meetings, seminars, and conferences when such attendance is in the interest of the U.S.</p> <p>Costs may include travel, lodging, subsistence, and related expenses at a location within CINCEUR area of responsibility. Reimbursement must not exceed amounts which members of U.S. Forces of comparable grade would receive.</p> <p>Fund usage under this authority will not augment International Military Education and Training (IMET) Programs.</p>

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Table F.7

Fund And Program Limitations

Description	Limitation
Miscellaneous Expense (.0012) - Representation Allowance (see ED 50-12 for guidance)	OMA operating funds authorized to be expended for representation purposes cannot exceed funding limitation.
Miscellaneous Expense (.0017) - Extraordinary military expenses for intelligence activities (see AR 381-141 for guidance)	OMA operating funds authorized to be expended in support of worldwide intelligence activities cannot exceed funding limitation.
Uniform Allowance (purchase or maintenance cost per driver per year)	OMA/SA funds expended cannot exceed \$300 a year per driver by law for initial purchase. Maintenance allowance cannot exceed DoD quarterly payments.
Security Assistance Funds For Representation Purposes (see ED 50-12 for guidance)	SA operating funds authorized to be expended for representation purposes cannot exceed funding limitation.
Public Affairs For Tour Costs (such as operational friendship and orientation)	Cannot be used for beverages, food, representation, management, or administration costs.
Caution: Exceeding above or other fund limitations imposed on HQ USEUCOM operating funds may violate Antideficiency Act.	

APPENDIX G

Medical/Dental Care and Travel Procedures

General. The guidance in this Appendix has been extensively curtailed because of the on-going changes in the Medical/Dental Care procedures by the service components. To obtain specific guidance on this subject, contact the applicable service component office, ECJ1, or ECMD at HQ USEUCOM.

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APPENDIX H

Contracting and Supply Procedures

H-1. General. This Appendix gives guidance and procedures for processing procurement and supply requisitions and administering associated fund requirements. Specific procedures cover SAO purchase of non-tactical vehicles, stock fund orders, local procurement, preparation of the PR&C DA Form 3953 (Purchase Request and Commitment), use of FS-455, SSSC buys, and imprest fund purchases.

H-2. Policy - Contracting and Use of Funds.

a. Contracting Authority. Basic policy in this Directive is restated: there are no duly appointed contracting officers in HQ USEUCOM Activities. Therefore, no military member or civilian employee of HQ USEUCOM Activities is authorized to contract (oral or written) on behalf of the U.S. Government. Contracting for goods, services, and materials will be through a duly appointed contracting officer in the supporting activity (e.g., SAO through embassy GSO, Patch Barracks activities through 6th ASG-DOL). Imprest fund purchases and stock fund orders likewise will be processed through the appropriate supporting activity.

b. Logistics and Budget Authority. Both logistics and budget authority must be present before obligating funds.

(1) Logistics authority is the authority to have an item of equipment. This authority is derived from a Common Table of Allowance (CTA) or a Joint Table of Allowance (JTA). The CTA identifies those items of equipment universally required to perform a mission, such as chairs, desks, or household furnishings. The JTA identifies items of equipment essential for mission which are unique to a particular organization. SAO Chiefs are authorized to approve the purchase of expendable items. However, the authority to purchase property book items which are in excess of the CTA or JTA authorizations must be granted by HQ USEUCOM. In accordance with paragraph 5-1, AR 1-75, certain items would require inclusion through revision or change to the JTA. Requests for change or revision to JTA will be requested through HQ USEUCOM to U.S. Army Force Integration Support Agency. The authority to approve vehicles rentals/leases up to 12 months must also be granted by HQ USEUCOM.

(2) Budget authority authorizes the expenditure of funds for a specific requirement which already has been approved by the proper logistics authority. Budget authority normally applies to SAOs which receive funding for specific

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requirements. SAOs must have ECJ4-PMR and DSAA budget approval for SA funded quarters leases over \$20,000.00, offshore or foreign made vehicle procurements, and armored vehicles. In addition, all automation equipment for all HQ USEUCOM Activities must have IMB approval.

c. Administration of Funds. HQ USEUCOM Activities and duly appointed fund certifying officials are jointly responsible for ensuring proper use of funds in accordance with this Directive and applicable DoD/Army references. For example, imprest fund purchases and limitations on use of funds will be in accordance with AR 37-103 and guidance on personal service contracts will be in accordance with this Directive and guidance provided by the HQ USEUCOM Comptroller and the Legal Adviser.

H-3. SAO Purchase of Non-Tactical Vehicles (NTVs). Requests for NTVs will be submitted through ECJ4-IDS. Vehicles purchased through military channels do not require approval by DSAA (ECJ4-PMR has budget approval authority). NTVs must be JTA authorized.

a. Procedures and administrative requirements are listed in ED 64-2 and DA PAM 738-750.

b. Standard Procedure - CONUS Procurement. SAO must:

- (1) Establish authorization (JTA or proposed change).
- (2) Obtain budget authority from ECJ4-PMR.
- (3) Submit Requisition (DD Form 1149) to ECJ4-IDS. Describe type and proposed use of vehicle in the remarks block.

c. Local (Overseas) Procurement of American Manufactured Vehicles (also known as off-shore procurement) involves purchase of an American made vehicle through a U.S. subsidiary overseas, such as AAFES. Off-shore procured vehicles must be JTA authorized and approved by DSAA prior to ordering. Requests must be submitted through ECJ4-IDS for endorsement.

d. Purchase of Foreign Made Vehicles. Purchase of foreign made vehicles is controlled by Congress. The Director, DSAA, has waiver authority when justified for security reasons; convenience of service and cost are not valid justifications.

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Vehicles must be JTA authorized and approved by DSAA prior to ordering. Requests will be submitted through ECJ4-IDS for endorsement. Refer to ED 15-1, Combatting Terrorism, for additional guidance.

H-4. Imprest Fund Purchases. Use of imprest funds is governed by the DoD FAR Supplement 13.402/13.404 and Chapter 8, AR 37-103. For HQ USEUCOM Activities serviced by non-DoD activities (embassy GSO), use of funds for imprest fund purchases must be in accordance with applicable references and this Directive.

a. Use of Funds. Imprest fund purchases must not exceed \$600.00 for any one transaction. They may be used to make payments in currency or coin for small purchases of materials, the repair of equipment, nonpersonal services, or travel and transportation expenses within the limitations authorized in DoD FAR Supplement 13.404. Table H.1 shows list of authorized purchases to assist in proper use of imprest funds.

b. Prohibited Use of Imprest Funds. Imprest funds will not be used for the payment of salaries and wages, advances (except as authorized in DoD FAR Supplement 13.404 and JFTR for travel advances), or cashing of checks or other negotiable instruments.

c. Imprest Fund Procedures. Requests will be prepared with the DA 3953 Form (Purchase Request And Commitment) from which the SF 1165 (Receipt For Cash-Subvoucher) is prepared, validated after customer purchase, and used by imprest fund cashier as supporting documentation to the SF 1129 (Reimbursement Voucher).

H-5. Procurement and Supply Requisition Procedures - Patch. The following procedures provide guidance on how orders are processed by 6th ASG-DOL for Patch Barracks Activities. The guidance is based on simultaneous obligation procedures for federal supply items (i.e., funds obligated upon material release order (MRO), 6th ASG-DOL placed requisition, or SSSC filled order).

a. General. Requests for supplies, equipment, and services (except SSSC) will be submitted with the DA 3953 (see Figure H.2).

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b. Federal Supply Items - Standard Items. All Military Standard Requisition and Issue Procedures (MILSTRIP) orders for federally managed standard stock numbered (NSN) items can be obtained by one of three ways: (1) over the counter sales (SSSC); (2) in-stock orders; or (3) back order/CONUS orders filled by 6th ASG-DOL.

(1) Self Service Supply Center (SSSC). The SSSC is operated by 6th ASG-DOL and offers a convenient means for Patch activities to obtain expendable supplies. These supplies can be obtained without submitting a Letter of Intent (LOI) which serves as recordable commitment document.

(2) In-stock or requisitioned items are processed using DA 3953.

c. Non-Standard Items. Orders for non-STD items are placed using DA Form 1348-6 and can be filled in one of three ways: (1) MILSTRIP; (2) Blanket Purchase Agreement (BPA); or (3) by local contract.

d. Documentation. 6th ASG is responsible for providing feedback information on return copy of DA 3953. 6th ASG-DOL is also responsible for providing copies of contracts (or extracts of essential financial data), DD Form 1155s, BPA calls, imprest fund buys, and other documentation which results from requisitions processed through 6th ASG-DOL that is required to support obligation of funds in the accounting month required by regulation (see Appendix E).

(1) PR&C will not be used as basis to obligate funds. PR&Cs are commitments, not obligation documents.

(2) DD Form 1155, Order For Supplies Or Services, is used by contracting office as formal notification of contract award which serves as basis to record obligations (MOD may be used per Appendix J after contract award is made).

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Table H.1

Authorized Imprest Fund Payments

Authorized Uses	Remarks
Miscellaneous services and supplies not available from SSSC, stock, or items for which by-pass has been authorized.	Includes postage stamps and public utility bills when cash payment is more efficient.
Local public carrier tickets.	Includes multiple ride tickets, passes, tokens, or cash fares (when tickets not available).
Local transportation expenses, road and bridge tolls (e.g., Italian Autostrada tolls), tow fees for breakdowns.	SF 1164, Local Travel Expense, must be prepared when POV is used; may draw in advance when known toll fees are involved.
Travel advances for official TDY.	Unusual circumstance such as orders received too late to get advance (limited application).
Transportation fees/services	Passenger transportation fees will be limited to \$100.00 plus tax for each trip; \$15.00 limit per trip for excess baggage.
Repair of equipment.	Use most likely related to unusual circumstance such as car breakdown; office/ADP equipment should be under maintenance contract.

H-6. Commitment in Excess of Estimate (Price adjustments).
Initiator of PR&C may enter the following statement in the description block: "Contracting officer making contract award is authorized to exceed the estimated cost by 10 percent which is included in above amount." A fixed dollar amount of 10 percent or less may be substituted for the percentage. The amount committed on RCL will be the total amount (estimated cost plus authorized excess cost). This guidance is consistent with

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USAREUR Reg 37-2 and policy of the United States Army Contracting Command Europe (USACCE), to preclude delays in awarding contracts caused by insufficient funding (contracting officers are not allowed to exceed PR&C cost estimate unless otherwise authorized).

H-7. Use of Purchase Order, Receiving Report, and Voucher (FS-455). The Foreign Service Form FS-455 is used within the State Department system for overseas located American Embassies processing requisitions through military contracting/supply channels. The following guidance should be observed:

(1) SAO should use PR&C, DA Form 3953, as a supporting document to FS-455 for any requisition processed through the embassy for contracting by a DoD agency (e.g., Frankfurt Contracting Office).

(2) In general, embassy and DoD agency may refuse to accept and process non-standard (outside agency) financial documents. In such circumstance, SAO should use both the FS-455 and DA Form 3953 and cross-reference one document to the other. This should preclude acceptance problems by DoD and State Department.

(3) SAO should validate above procurement request procedures with non-embassy contracting agency before initiating action to preclude any possibility of rejection due to improper forms. This may be a problem only if using a non-embassy source for the first time.

c. Contact the HQ USEUCOM Comptroller for assistance should any unresolved problems arise concerning the use of FS-455 and DA Form 3953.

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Figure H.2

Preparation of DA Form 3953

Instructions for completing DA Form 3953 (PR&C). Numbers are keyed to applicable blocks on form. Enter:

1. DODAAC (WK4E3R for Patch) and Julian date (assigned by 6th ASG unless otherwise instructed).
2. HQ USEUCOM Activity requisition number (assigned by 6th ASG for Patch Barracks activities).
3. Date PR&C is prepared.
4. Self-explanatory (continuation sheet begins with page 02).
5. Name of activity approving official, as appropriate.
6. Name and address of activity initiating PR&C.
7. Complete APO address of unit receiving supplies/services.
8. Complete APO address of location where contractual service is to be delivered (use city address if APO address is not practical). For Patch Barracks activities, the mailing address is 6th ASG-DOL.
9. Performance date of required contractual service. Do not enter ASAP because delivery must be established on firm date. Consider following for establishing realistic date:
 - a. Internal preparation of PR&C - 8 to 12 days.
 - b. Procurement administrative lead time:
 - (1) Purchases up to \$25,000.00 - 3 to 12 days.
 - (2) Purchases over \$25,000.00 - up to 45 days.
 - c. Delivery time - 25 to 30 days.
10. POC responsible for purchase request (enter more than one extension number if available).

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11. Reference which authorizes local purchase. Cite appropriate reference to AR (e.g., AR 710-2, USAREUR Reg 56-31), DoD D/I, etc. Contracting activities will not process PR&C if left blank.
12. to 17. If the PR&C requirement is for only one line item in DD Form 1155, fill in blocks. For multiple line requirements, use SF Form 36 to describe the supplies/services. Multiple line items and fund cites must be broken out to facilitate fund control, contract administration, and processing in STANFINS. Enter the complete commercial description of the commodity requested in both English and the host nation language (mandatory for all OMA foreign currency fluctuation account transactions).
18. Full accounting classification(s) for funds to be charged.
19. Cost estimate in U.S. dollars (include authorized excess amounts). OMA transactions must be computed using applicable currency budget rate for procurement of goods and services in local currency.
20. Date signed by fund certifying official.
21. Self-explanatory.
22. Self-explanatory. PR&C will not be processed unless signed.
23. Brief statement explaining why requested service/order is required by the not later than date (block item 9).
24. Typed name and grade of the official initiating PR&C.
25. Typed name and grade of supply/property book officer if the local purchase of supplies is authorized.
26. Typed name and grade of the chief of the HQ USEUCOM Activity (or the EUCOM Support Activity Director of Logistics for Patch Barracks). This block must be signed.

APPENDIX I

Obligation Transmittal Procedures

I-1. General. This Appendix describes standard procedures for transmitting obligation documents and Feeder Reports.

a. Transmittal procedures are designed to meet the following document control features.

(1) Use of transmittal numbering system to facilitate accountability.

(2) Segregation of documents and obligation data into logical groupings and the use of standard formats to facilitate processing.

(3) Use of automated systems, where possible, to reduce occurrence of misinterpreting data.

b. Transmittal of feeder reports and copies of obligation documents to the applicable finance agency is the responsibility of each HQ USEUCOM field activity. At Patch Barracks, designated HQ USEUCOM Activities, in coordination with Office of the Comptroller, are responsible for transmitting obligation documents to 266th TFC.

I-2. Transmittal Categories. Documents pertaining to different appropriations, fiscal years, or other dissimilar transactions will not be commingled on one input. Separate inputs must be produced for each appropriation, fiscal year, and type of transaction.

I-3. Transmittal Methods. Depending on the location of the Obligating Agency, type of RCL used, and the types of transactions being processed, the following transmittal methods are to be used:

a. Routine Obligations and Adjustments for dCAS Users should be sent via SI Candidate file. See the DCAS Users Manual for specific instructions on this procedure.

b. Security Assistance Agencies using the SAARMS system must submit SAARMS generated Feeder Reports to the 266th TFC (OMA Funds) or DFAS-DE (SA Funds) using the formats and procedures provided in the Security Assistance Network User's Manual, Volume IV.

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c. Transactions to the 266th TFC that cannot be processed using automated systems such as dCAS or SAARMS must be sent using a Manual TL. Note, for non-Patch Barracks Activities, this input is known as a Feeder Report. Examples of such transactions are: Disbursement Transactions, Reimbursable Accounts, or multi-year appropriations. A sample of a Manual TL is provided in Table I.1.

I-4. Frequency of Transmittals. Frequency depends on whether sender is from Patch Barracks or a subordinate field location. Per DoD guidance, obligations are to be posted immediately but not later than 10 days from the time of obligation. At a minimum, all transactions must be input monthly prior to EOM cut off. More frequent input is encouraged where large numbers of transactions are recorded each month. Reference DFAS-IN 37-1 for specific obligation requirements and principles.

I-5. Monthly Cut Off Date. Established cut off dates are published by the 266th TFC at the beginning of the fiscal year. These dates vary based on the input method (SI, TL, Feeder Report). HQ USEUCOM Activities will ensure that documents are forwarded in sufficient time to arrive in 266th TFC by this date.

I-6. Year End Closing Procedures. Above transmittal procedures, transmittal frequencies, and suspense dates are subject to change according to year end closing procedures jointly established by HQ USEUCOM Comptroller, 266th TFC, and DFAS-DE.

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FIGURE I.1

Manual TL/Feeder Report Format

ECCM							<DATE>	
MEMORANDUM FOR 266th TFC, Unit 29001-06, ATTN: AOB								
SUBJECT: TL No: ECCM-09-30 (1)								
1. The following obligations with attached source documents are provided by ECCM for input into Appropriation 21 6 2020, Operating Agency 94-1031 (2).								
2. Type Action 21: (3)								
FY	EOR	HOURS (4)	APC	DRN	ODC	LIC	AMT	
6	11BB	80	H9CW	MODH9CW9T00001	2	Q	2,100.00	
6	12BB		H9CW	MODH9CW9T00001	2	Q	600.00	
6	21T2		H9CW	BIC12346TD0001	2	Q	1,600.00	
6	2332		H9CW	MPRH9CW6H4JTF4	2	Q	783.00	
TOTAL TA 21:							5,083.00	
3. Type Action 23:								
FY	EOR		APC	DRN	ODC	LIC	AMT	
6	25CZ		H9CW	MPRH9CW9H40003	2	Q	161,600.00	
6	252F		H9CW	MPRH9CW9H40012	2	Q	50,000.00	
TOTAL TA 23:							211,600.00	
GRAND TOTAL:							213,983.00	
2. POC is the undersigned, 430-8114.								
ROBERT W. BICKEL CAPT, USAF Budget Analyst								
NOTES: (1) A unique TL number must be assigned to all TLs. TL Number should contain your Office Symbol, Month of Input, and a locally assigned sequential TL number.								
(2) The first paragraph of a manual TL should indicate the types of transactions requested and the appropriation affected.								
(3) See DFAS-IN Manual 37-100-xx for specific information on required fields and types of transactions.								
(4) Include payroll data and hours worked only for employees not paid by the 266th TFC.								

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APPENDIX J

Use of Miscellaneous Obligation Document

J-1. General. Both budget and fiscal officers are responsible for ensuring proper use of the Miscellaneous Obligation Document (MOD). Its purpose is to serve as a substitute for the actual obligation document, which has been properly executed (e.g., a contract awarded and signed by both U.S. Government Contracting Officer and vendor/contractor), but due to mailing time and other constraints the MOD must be used in its place. MODs are also proper when no formal obligation document exists (e.g., OMA reimbursement of FAAS costs and utility bills). While use of the MOD is essential for recording valid obligations in the correct reporting period and proper fiscal year, the existence of a valid obligation with documentary evidence is equally important to substantiate the U.S. Government's liability. Therefore, caution should be exercised against processing improper and invalid MODs (i.e., MOD without properly executed document or written evidence to support obligation of funds) to "zero out" unobligated balances at year end or to "attain" high obligation rates to avoid scrutiny of budget execution. It is also improper to perpetuate availability of current year funds for one year programs (SA and OMA) beyond 30 September by "loading" MODs to attain 100 percent obligation rates.

J-2. Ground Rules for MOD.

a. Must Be Recordable Obligation. Principles of obligation rules and obligation tables (Appendix E, Tables E.1-E.6) provide proper guidance on recordable obligations and are based on statutes, OMB Circular A-34, DFAS-IN Reg 37-1, and other applicable guidance. Follow guidance to help determine validity and amount of recordable MOD.

b. Must Be Justified. As a general rule, use of the MOD as a temporary document is always secondary to the actual obligation document. HQ USEUCOM Activities who use MODs are responsible for expeditious submission of properly executed obligation document to 266th TFC or DFAS-DE.

(1) When the use of a MOD is required, within 90 days, the MOD must be replaced with an actual obligation document. As they have different document numbers, the MOD obligation must be reversed (cancelled) and replaced with actual document and associated new document number upon receipt by the appropriate FAO/DAO.

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(2) All fiscal year end MODs will be reversed not later than end of the first quarter of the succeeding fiscal year.

(3) MODs entered into STANFINS/SAARMS by the appropriate FAO/DAO will be coded either with liquidation indicator code "R" (reversal) or "M" (listed delinquent after 90 days).

c. Description Must Be Complete. The MOD must contain sufficient information to facilitate processing. Because it substitutes for the actual obligation document, below information must be provided on all MODs.

(1) Number (quantity), date, and type of obligating documents.

(2) Actual or estimated amount of obligation.

(3) Quantity and a brief description of material or services received.

(4) If contract, contract number assigned by the contracting office (e.g., Stuttgart or Frankfurt Contracting Office, embassy GSO, other DoD contracting support activity).

(5) Complete accounting classification.

(6) Statement explaining why the actual obligation document is not available. Attach all available documentation to support identification of obligation.

d. Estimates Must Be Substantiated. When MOD is used to record estimated liability, below information must be provided (e.g., utility bills).

(1) Source of information.

(2) Method used to compute estimate (i.e., oral quote and official's name, historical average, etc.).

(3) Scope of estimate (i.e., time, period, number).

(4) Why estimate needs to be recorded (e.g., September utility bill not available until after close of current FY).

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(5) Target date for reversal or liquidation.

e. MODs which are used as temporary substitute for actual obligation documents should never have recorded disbursements.

J-3. Proper and Improper Use of MOD. Listed below are examples of proper and improper uses of the MOD which will assist proper administration of funds (list not all inclusive).

a. Proper Uses of MOD.

(1) Rent and utility bills (utility costs are normally billed on actual rather than accrual basis; thus, the bill is presented after close of billing period).

(2) Incentive awards.

(3) FSN/LN payroll accruals. With few exceptions, pay of Department of Army civilians (DACs) is administered by 266th TFC; therefore, do not process MODs for these DACs and local hire U.S. employees. Ensure all new employees are properly charged to the correct account (see Appendices I and N).

(4) PCS costs of incoming and departing DACs when known change(s) from cost estimate in DD Form 1614 has occurred. Limit use to situations where amending PCS order is not required (refer to JTR Vol 2, Chap 3). Example, use MOD if cost estimate for transportation of household goods has significantly changed.

(5) Miscellaneous transactions (e.g., telephone charges and small bills not paid through imprest fund).

(6) Signed contracts, DD Form 1155 (Purchase/Delivery Order), letter contracts, and other properly executed contracts. Facsimile copies should be sought and used to record valid obligations where possible, eliminating the requirement of using a MOD.

(7) FAAS cost reimbursements to SA from OMA.

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(8) Unobligated machine posted supply orders processed through SAILS/STARFIARS/STANFINS interface. DD Form 1348 and a valid supply status from a supply supporting activity must be available to justify MOD (need may result from deficiency between the SAILS/STARFIARS and STANFINS interface or other problems at no fault of the customer).

b. Improper Uses of MOD - Attempts to Obligate commitment documents and other unrecordable obligations (e.g., FS-455 order request not processed by the U.S. Embassy GSO or an order was not placed with a vendor prior to expiration of current year funds).

(1) Purchase Request and Commitment (PR&C) document (DA Form 3953). PR&Cs are commitment, not obligation documents.

(2) Direct cite Military Interdepartmental Purchase Request (MIPR) document (DD Form 448). Amount shown in block 11 represents amount of previously recorded obligation (direct cite authority is limited to stated obligation authority).

(3) Travel advances (travel order must be processed and used as obligation authority; travel order, not travel advance, is proper documentary evidence to incur obligation).

(4) Any purpose which lacks justification and documentation to substantiate HQ USEUCOM obligation of funds.

APPENDIX K

Accounting Classification Codes and Document Numbers

K-1. General. The standard accounting classification code and document reference number (DRN) will be cited on all obligation documents. They are constructed of alphanumeric characters in structured positions to record, classify, track, summarize, and report all financial transactions. It is critical that each accounting classification code is accurately cited, and every obligation document must have a unique document number, and all amendments or changes to that obligation document will have the same document number. Two original obligation documents using the same accounting processing code (APC) cannot have the same document number in the same fiscal year.

K-2. Accounting Classification Code - OMA. The OMA accounting classification code is based on the Army Management Structure (AMS), DA PAM 37-100-XX. Position description is explained below (asterisk indicates constant).

- a. *Positions 1 and 2: 21 - Agency code (Army).
- b. Position 3: Fiscal year. Insert last digit of fiscal year. Changes each FY because OMA is a 1 year appropriation.
- c. *Positions 4-7: 2020 - Appropriation code (OMA).
- d. *Positions 8 and 9: 94 - Command code (HQ USEUCOM).
- e. *Positions 10-13: 1031 - Allotment serial number.
- f. Positions 14-21: Budget Activity (BA) code. Consists of a six-digit basic code and two-digit sub-BA code to identify specific activities or systems.
- g. After position 21, insert the element of resource (EOR) code which is a four-digit numeric code or alphanumeric code. A valid list of EORs and explanation of the EOR coding structure are found in DA PAM 37-100-XX. If multiple EORs are required for an obligation document (e.g., travel order), then each EOR will be listed separately following position 21 (and dollar amount associated with each EOR must follow each EOR in parenthesis to facilitate processing).
- h. *Insert S91516 after EOR code(s). This identifies the fiscal station number (FSN) of the Army activity which is responsible for finance and accounting support.

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i. Insert APC after FSN. The APC is a four-digit alphanumeric code structured to identify each separately funded activity (organization, function, or activity). At HQ USEUCOM, the first position (alpha character) identifies fund category.

j. Insert DRN after APC. The Army standard obligation document reference number provides up to 14 characters. Eleven characters are normally used in HQ USEUCOM, but travel orders and supply requisitions use 14 positions. See paragraph K-5, this Appendix, for explanation of the DRN and paragraph K-7 for special DRN instructions on TDY and PCS orders and travel advances.

k. Example of correctly constructed OMA accounting classification code for travel is shown below.

21	6	2020	94-1031	122398.00	21T1/21T2	S91516	D922	JAS12346D12005
Army	FY	OMA	CMD	BA/Sub BA Allotment No.	EORS	FSN	APC	DRN

K-3. Accounting Classification Code - FMS Administrative Fee (commonly referred to as SA funds). The FMS administrative fee accounting classification code for the security assistance program is based on DA PAM 37-100-XX. Position description is explained below (asterisk indicates constant).

a. *Positions 1 and 2: 97 - OSD transfer appropriation.

b. *Positions 3 and 4: 11 - Executive Office agency.

c. *Position 5: X.

d. *Positions 6-9: 8242 - FMS trust fund.

e. *Positions 10-13: 0001 - Army administrative fee limitation.

f. Positions 14-16: M90 - Program year code (first character is constant; substitute second and third characters with the last two digits of FY (SA FMS Administrative Overhead funds are issued as one year program funds).

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- g. *Positions 17-19: 003 - Administrative budget code.
- h. Position 20: Insert last digit of FY.
- i. *Positions 21 and 22: 94 - Command code (HQ USEUCOM).
- j. Positions 23-26: 9625 - Allotment serial number. Substitute second position with last digit of FY (1st, 3rd, and 4th digits are constants).
- k. After position 26, insert EOR code(s).
- l. *Insert S91516 (FSN) after EOR code(s).
- m. Insert country code after FSN. Country code is composed of two alpha characters (country code is in Vol I, DA PAM 37-100-XX).
- n. Insert the 4 character alpha-numeric APC after country code.
- o. Insert DRN after APC (see paragraph K-5 this Appendix).
- p. Example of SA accounting classification code is below.

97-11X8242.0001	M90.003	094-9625	2572	S91530	GE	G94T	9G12GESA14
							DRN
						APC	
						Country Code	
					FSN		
				EOR			
				Allotment No. (2nd Position=FY)			
			CMD				
		FY					
		Administrative Budget					
		Program Year (Last 2 Positions=FY)					
		Army Administrative Fee Limitation					
		FMS Trust Fund					
		Constant					
		Executive Office Agency					
		OSD Transfer Appropriation					

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K-4. Accounting Classification Code - Foreign Military Financing (FMF 1082 funds). The FMF accounting classification code is based on DA PAM 37-100-XX. The position description is explained below (asterisk indicates constant).

- a. *Positions 1 and 2: 21 - Agency code (Army).
- b. *Positions 3 and 4: 11 - Executive Office agency.
- c. Position 5: Last digit of FY (changes each FY because FMF is 1 year appropriation).
- d. *Positions 6-9: 1082 - Appropriation code (FMF).
- e. *Positions 10-13: 0003 - Army administrative limitation.
- f. Position 14: Insert last digit of FY.
- g. *Positions 15 and 16: 94 - Command code (HQ USEUCOM).
- h. Positions 17-20: 8Y25 - Allotment serial number. Substitute 2nd position with last digit of the FY (1st, 3rd, and 4th digits are constants).
- i. Positions 21-31: OT1BONA18XX - Command headquarters administrative budget code. First 9 alpha-numeric characters are constants. Substitute the last two variables for resource codes as shown below.
 - (1) 01 - Payroll.
 - (2) 02 - Blanket travel orders (BTO).
 - (3) 03 - ECJ4 SA Division staff visits.
 - (4) 04 - Command inspections.
 - (5) 05 - SA conferences.
 - (6) 06 - SA school.
 - (7) 07 - Other DISAM/schools/seminars.
 - (8) 08 - Comptroller.

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K-5. Document Reference Number. Defense Finance and Accounting Service (DFAS) requires use of a standard obligation Document Reference Number (DRN) not to exceed 14 characters. In HQ USEUCOM, specific instructions for the use of the standard DRN is received from the appropriate finance and accounting office and provided to operating agencies by HQ USEUCOM Comptroller.

APPENDIX L

Planning, Programming, Budgeting, and Execution System (PPBES)

L-1. General. The standard procedures for programming and budgeting SA and OMA financial resources are explained below. These procedures are based on requirements established by DSAA, HQDA, and HQ USEUCOM.

L-2. SAO Budget Call. DSAA issues an annual budget call for budget estimates and supporting justification for the administration of Security Assistance Organizations. The budget covers the current fiscal year, the budget year, and the program year. The budget call is issued in mid March with a due-date to HQ USEUCOM in mid-May. HQ USEUCOM Comptroller will issue specific budget instructions to each SAO. The SA budget submitted to DSAA will be approved by the Director of Logistics (ECJ4) and be accompanied by Commander's Statement signed by the U.S. Deputy Commander in Chief, Europe (DCINCEUR).

L-3. OMA Program and Budget Call. The programming and budgeting system for OMA is composed of two distinct phases which require proactive participation by HQ USEUCOM. Phase 1 (programming) requires the submission of the HQ USEUCOM Program Objective Memorandum (POM) and phase 2 (budgeting) requires the submission of the Command Budget Estimate (CBE) and in the out of cycle year, the Resource Management Update (RMU). Integral to the successful completion of each phase is active participation by the Program Budget Advisory Committees in accordance with SM 50-2. The HQ USEUCOM Comptroller will issue specific instructions for respective submission of the POM and CBE/RMU. Instructions and procedures will apply to all HQ USEUCOM Activities who receive OMA funds.

a. HQ USEUCOM POM Submission. The POM is the primary vehicle to seek funds for new initiatives and programs, or make changes to existing programs, in direct response to new/expanded missions established by Congress, the defense leadership, and the USCINCEUR. The POM is submitted biennially to HQ DA during the December-January time frame and encompasses resource requirements over a five-year period into the future.

b. OMA CBE Submission. The CBE provides HQ USEUCOM the opportunity to identify unfinanced requirements (UFRs) that were not successfully supported (not funded or partially funded) in the POM phase of programming. It also provides an opportunity to realign resources, within budget guidance levels contained in the most recent Program Budget Guidance (PBG), to match changes in execution strategy. The CBE/RMU is submitted to HQ DA during

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the July time frame. It focuses on the budget year and the first year of the five program years.

L-4. Special Instructions for OMA Programming, Budgeting, and Execution. The Army uses Budget Activity (BA) and Management Decision Package (MDEP) to manage its resources through all phases of the PPBES. A basic understanding of the terms is provided below to facilitate the successful management of OMA funds (more thorough explanation of the PPBES is found in AR 1-1, Administration of PPBES).

a. Program Elements (PE). The Army Management Structure code (AMSCO) includes a 6 digit basic PE indicator in the accounting classification which is cited on obligation documents and in financial transactions (see Appendix K). The PE relates to the force or support mission of the Department of Defense and contains the resources needed to achieve an objective or plan.

(1) The Five Year Defense Plan (FYDP) consists of four major defense programs which are identified in DFAS Pam 37-100-XX.

(2) BAs may be aggregated within a program to display total resources assigned to a specific program; aggregated to groups of support systems within a program; or aggregated to select only identified resources such as operating costs.

(3) Execution (obligation and expenditure) of funds is restricted to the program level of resourcing within a major program for OMA funds made available to HQ USEUCOM (as well as other restrictions and limitations identified in this Directive). For example, BA 12 funds cannot be used for costs which are properly chargeable to BA 44, nor can BA 41 (intelligence) funds be used for charges which belong to BA 43 (communications). Mischarging of OMA funds (substituting one major program for another) is not permitted and may result in a reportable violation of the Anti-deficiency Act. In common terms, the color of OMA money (proper program) must always be maintained: accidental mixing must be corrected, and charging a program based solely on availability of funds is prohibited.

b. Management Decision Package (MDEP). The MDEP is a resource aggregate which provides budget and execution data on all resources associated with discrete Army programs. For example, the above MDEP MS1Z will identify and collect manpower,

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materiel, and dollars tied to it over the 8 year PPBES cycle (prior year, current year, budget year and the five program years). The MDEP is viewed as the bridge over the programming and budgeting gap. The MDEP is fed into and retrieved by an Army resource management system which is used by the HQ USEUCOM Comptroller to receive its Program Budget Guidance (PBG) and submit its budget. MDEP execution data is collected and reported by STANFINS which is accomplished by 266th TFC for HQ USEUCOM. The identification and description of Army MDEPs are found in AR 37-100-XX.

L-5. Unfinanced Requirements (UFR). UFRs are mission requirements which exceed the approved annual funding program. They may be addressed during program/budget process, or they may surface later due to unforeseen circumstances.

a. HQ USEUCOM Activities will submit UFR funding requests through their headquarters staff proponents to ECCM by using the format provided by ECCM. Instructions on completing the form are outlined below.

(1) Issue Number: Leave blank; will be assigned by HQ USEUCOM Comptroller.

(2) Activity Priority: Activities submitting multiple UFRs will assign priority to each.

(3) UFR Title: Self-explanatory.

(4) Appropriation: OMA, SA, FMF, as appropriate.

(5) FY: Fiscal year funds are required.

(6) Total Requirement: Total funds requirement for current fiscal year.

(7) Financed: That portion funded by annual funding program or by unfunding lower priority requirements.

(8) Unfinanced: Amount of request for additional funds (total requirement less financed).

(9) Required By Date: Self-explanatory.

(10) Sub-program: For OMA funded activities only; BA 11, BA 12, BA 41, BA 43, or BA 44, as appropriate.

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(11) Narrative: Provide a concise description of requirement, including what the funds will purchase, mission/project supported, and impact on mission if not funded.

(12) Activity approving official must be the Director, Deputy Director, or Office Chief.

(13) Disposition section will be completed by the HQ USEUCOM Comptroller.

b. UFRs may be submitted at any time during fiscal year.

c. OMA requests under \$10,000 may be considered for approval by HQ USEUCOM Comptroller in coordination with program director. All requests for \$10,000 or more must be referred to the PBAC for validation and approval.

d. SAO UFR requests (SA/OMA) will be approved by ECJ4 program director.

APPENDIX M

Morale, Welfare, and Recreation (MWR) Funds

M-1. General Guidance and Policy. Guidance and procedures in this Appendix apply to all HQ USEUCOM Activities under the administrative control of HQ USEUCOM, its subordinate activities, and Nonappropriated Fund Instrumentalities (NAFIs).

a. The regulation that governs the use of MWR funds will be the regulation of the service component that is providing the MWR funding (i.e. Department of the Army uses AR 215 series). Regulatory references in this section will refer to HQ USEUCOM's regulatory source AR 215 series but, can be superseded by the regulation of the service component providing the MWR support.

b. Separate unit funds will not be established with the exception of isolated unit funds. Units located on or near an installation having an Installation MWR Fund (IMWRF) will be provided NAF activity support through that fund.

c. A council (governing or non-governing) will be established for each unit fund which is not administered by a Major Command (MACOM) to plan and program MWR activities which are in the best interests of the military community.

(1) If unit funds are distributed to an activity, or the activity is engaged in a revenue generating or retail activity, it must establish a council per AR 215-1.

(2) If a HQ USEUCOM Activity does not receive direct distribution of or have direct access to unit funds; i.e., unit funds are managed by the MACOM and allowable MWR expenditures are reimbursed based on claim voucher submitted to the MACOM, then a unit fund council is not required.

d. Head of the HQ USEUCOM Activity or designee will serve as the unit fund manager. If Head of the HQ USEUCOM Activity is also the unit fund manager, council representation will be in a voting capacity; otherwise, unit fund manager representation will be in a non-voting capacity.

e. USAREUR, is the OSD designated support MACOM for a majority of USEUCOM activities and is responsible for administering and providing logistical support to USEUCOM, MAAGs, SAOs, DAOs, and missions. (See Paragraph M-2)

f. Authority for all HQ USEUCOM Activities to establish or to continue to operate as a Nonappropriated Fund

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Instrumentality (NAFI) will be requested through the supporting MACOM for approval. (A NAFI is a revenue generating activity, e.g., Unit Lounge, Club, Bowling Center, etc...).

g. Units will not request or accept NAF unit activity support from more than one IMWRF for the same period of time.

h. This Appendix applies in addition to Service requirements governing the use of MWR funds provided by the designated MACOM (USAREUR, NAVEUR, USAFE) or other USEUCOM component.

i. The military community consists of all active duty soldiers and their family members, retired military personnel and their family members, authorized civilian employees (appropriated and nonappropriated fund and AAFES), American Red Cross personnel working on the installation, and U.S. Army Reserve and National Guard personnel. All members of the military community are eligible for participation in NAF fund sponsored events and recognition programs, provided they comply with the provisions of AR 215-1&2.

M-2. OSD Designated Geographical Area of Responsibility (AOR). OSD has assigned MWR support responsibility for HQ USEUCOM Activities to USAREUR with the exceptions shown below. Geographical responsibilities are in chapter 3, AR 215-1, and ED 35-6.

(1) Europe.

(a) USAFE

Czech Rep.
Netherlands
Portugal
Spain
Turkey
United Kingdom
FRYOM

(b) NAVEUR

Denmark
Italy
Norway

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(2) Mediterranean Sea. NAVEUR responsible for this area.

(3) Africa. Except Horn of Africa which is the responsibility of USCENTCOM.

(a) USAFE

Chad
Israel

(b) NAVEUR

Morocco
Senegal

M-3. Responsibilities.

a. The MACOM is responsible for providing instructions and procedures for obtaining NAF support. SAO assistance should be requested through ECJ4 country desk officer. HQ USEUCOM Activities desiring unit fund participation should contact HQ USEUCOM ECJ1.

b. HQ USEUCOM Activities receiving direct distribution of MWR funds or operating revenue generating activities will:

(1) Establish, manage, and conduct MWR activities essential to the interests and needs of the military community.

(2) Develop local written SOP on policy, procedures, and guidance for conducting balanced MWR program activities.

(3) Appoint a fund manager to safeguard and supervise the administration of unit funds and NAFIs.

(4) Ensure that a council is established except as noted in paragraph M-1. Council will consist of a non-voting fund manager (except as noted above) and at least four members (one should be enlisted or civilian). Exception: Field activities with less than 10 assigned members, which are required to establish a council, may establish a council composed of a voting fund manager and two other members.

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(5) Approve minutes of council meetings to be held at least quarterly.

(6) Maintain a Resource Control Ledger that assures accountability over assets, liabilities, and property.

(7) Schedule an annual review of unit funds conducted by a qualified commissioned/warrant officer or civilian.

M-4. Use of Nonappropriated Funds. All NAF/MWR funds distributed to HQ USEUCOM Activities will be used to support MWR activities that contribute to and promote the welfare and morale of the military community on an equitable basis. Funding of MWR activities is a shared responsibility of the general public through appropriated funds and of MWR patrons for nonappropriated funds.

a. Use of NAF will comply with governing service regulation (i.e. AR 215-1, Paragraph 3-14). Authorized use of nonappropriated funds are as follows:

(1) Competitive awards (e.g., trophies and mugs) to military and civilian employees and their families for proficiency in competitive events and recreational programs under the following conditions.

(a) Events for prizes or trophies must be competitive, officially announced in advance, and conducted within a stated period of time.

(b) All individuals supported by the MWR will be given the equal opportunity to participate; for example, awards for sport competitions, art and craft contests, talent contests, etc.

(c) Cash or property of equivalent value, which are awarded as prizes or trophies, will not exceed \$500.00 for team awards or \$250.00 for individual awards.

(2) NAFI membership fees in professional or trade associations under the following conditions.

(a) Membership is in the name of an MWR activity, not in the name of the individual assigned as chief or director.

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(b) Only one membership per MWR activity.

(c) Council must approve membership expenditure.

b. NAF/MWR funds, even if authorized above, will not be used as follows.

(1) Any purpose which violates the provisions of AR 600 or AR 215 series.

(2) When appropriated (OMA, etc.) and SA funds are authorized and available.

(3) For food or beverages on behalf of any person who is authorized to receive per diem, unless an exception is granted by HQDA in advance of the function.

(4) To subsidize an expense involved in a change of command, change of activity director/office chief, retirement, or other such ceremony.

(5) For any purpose that cannot withstand the test of public scrutiny or which could be deemed to be a misuse or waste the patrons' dollars.

c. Requests for NAF/MWR expenditures for distinguished visitors and their family members and accompanying guests will be submitted to HQ USEUCOM for approval as follows.

(1) SAO and other activities under the administrative control of ECJ4 will submit requests for approval, in advance of function or event, to ECJ4 with information copy to ECCM and ECJ1-PM. All replies will be jointly coordinated by ECJ4.

(2) All other HQ USEUCOM field activities will submit their requests for approval, in advance of function or event, to the appropriate HQ USEUCOM field advocate representative with information copy to ECCM and ECJ1-PM. All replies will be coordinated by appropriate HQ USEUCOM directorate/staff office.

(3) If support is from other than designated MACOM, information copy of request will be provided to ECCM and ECJ1-PM.

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M-5. Prohibited Use of Nonappropriated Funds. Listed below are prohibited obligations and expenditures of nonappropriated funds.

- a. Support to private organizations and individuals (e.g., loans, contributions, etc.).
- b. Contributions to charities. This means no contributing to or engaging in fund raising activities for charities, foundations, or similar organizations which involve expenditure or use of MWR funds and NAFI assets.
- c. Personal cash loans or advances. A cash advance against official NAF travel orders is not considered a loan.
- d. Purchase of military or civilian uniforms for individuals except as noted below.
 - (1) Awards and prizes as noted above.
 - (2) When distinctive insignia authorized by AR 670-1 are not available.
- e. Commercial advertisements or endorsements by the U.S. Government in any Government printed matter (Approved NAFI commercial sponsorship activities are exempt from prohibition).
- f. Personalized printed material in accordance with Federal printing restrictions in AR 25-30 (e.g., calling cards, business cards, and personalized memo pads, which are considered to be personal rather than official use).
- g. Personal services contracts with Government personnel.
- h. Expenditures for programs and activities not relating to command/activity morale support (e.g., development or improvement of training materials and contract fees for speakers and lecturers for other than MWR activities).
- i. NAFs used to duplicate or augment authorized individual unit awards financed by appropriated or SA funds.
- j. Individual membership fees in any organization.

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k. Limitations on expenditures for authorized MWR events and activities which have been directed by the Service providing source of MWR funds.

1. Activities may not conduct resale operations wholly or in part funded with nonappropriated funds without the written approval of the MACOM. If such approval is granted there will be strict compliance with the internal controls and procedures as established by the governing service regulation.

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APPENDIX N

Civilian Manpower Obligations Data (CMOD) Reporting

N-1. General. CMOD is an automated reporting system that provides data required to determine the actual costs of civilian manpower based on execution experience. These costs and cost related data are used by HQ DA to develop civilian manpower costing data for reporting to Congress, figuring the average salary costs based on obligations and work-years reported by each command, computing budget increases for pay raises and benefits, monitoring command execution of manpower programs, and other information. CMOD reporting also captures SA and MAP funded civilian employees of HQ USEUCOM although agency budgeting for these employees is a joint responsibility of DSAA and HQ USEUCOM.

N-2. CMOD Overview. CMOD provides "on board strength", work-years, and dollar obligations for HQ USEUCOM funds by appropriation or program, Army Management Structure Code (AMSCO), and Element of Resource (EOR).

a. Origination of CMOD Data. Within HQ USEUCOM, CMOD data required for costing originate at the 266th TFC and other finance and accounting systems (e.g., embassy or other DoD agencies). CMOD reporting would be easy if all HQ USEUCOM employees (U.S. and FSNs) were paid by the 266th TFC because of the interface between the Army's Standard Army Civilian Payroll System (STARCIPS) and STANFINS.

b. Upward reporting of CMOD Data. HQ USEUCOM CMOD data are reported to Defense Finance and Accounting Service (DFAS) via the Status of Approved Resources (RCS CSCFA-218) report. The data is then reported to the HQ DA Budget Office.

c. Use of Upward Reported CMOD Data. HQ DA must ensure the CMOD data balance with HQ DA control totals. This is done to ensure consistency in budget documents and accuracy and reasonableness in costing. After the data is in balance, costing factors are developed, applied to the authorized civilian work-force, and the detailed costs of civilian manpower are determined.

d. HQ DA Control totals. Civilian control totals developed by HQ DA are determined by analyzing active pay accounts, on board strength, and adjusting data to ensure consistency in strength reporting to OSD, Office of Personnel Management (OPM), and Congress. HQ DA control totals also ensure consistency in strength reporting in program and budget documents prepared separately by the budget and manpower offices of HQ DA.

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e. How CMOD Affects HQ USEUCOM. The results of civilian manpower costing are reflected in Program and Budget Guidance (PBG) and Funding Authorization Documents (FADs) issued to HQ USEUCOM. If erroneous CMOD data are submitted, HQ USEUCOM may be under resourced for pay of civilians.

N-3. Origination of CMOD Input.

a. Preparation of Request for Personnel Action (SF 52). The SF 52 is normally prepared by the requesting supervisor. The preparing official is responsible for ensuring all data recorded in the SF 52 are correct. Accurate entry of accounting/fiscal code data in Block 36 of the SF 52 is crucial to CMOD reporting because data gathering starts with the SF 52. If the APC/AMSCO data are in-correctly entered, reporting throughout the entire CMOD system will be wrong.

b. Notification of Personnel Action (SF 50). Block 36 of the SF 52 is repeated in Block 36 of the SF 50. Thus, incorrect APC/AMSCO data and other command/individual unique inaccuracies will be perpetuated at this point if not detected (e.g., wrong APC is cited in SF 52, but is valid in STANFINS master APC file). The civilian personnel office also annotates the Type Position Code, Pay Plan, and Work Schedule which are ultimately translated into EOR and civilian type (e.g., U.S. family member overseas full time permanent (FTP), U.S. civilian FTP, U.S. civilian full time temporary, etc.). The hard copy SF 50 is distributed to the paying accounting office (266th TFC for most U.S. civilians).

c. CMOD Feeder Data Collected by Pay System. It is in the STARCIPS or other pay reporting systems or procedures (as is the case for HQ USEUCOM) that all the CMOD feeder data come together. Based on the SF 50, a Master Employee Record is established which contains a record for each employee. It is in the Master Employee Record that all of the basic CMOD data resides.

d. Pay System Interface with STANFINS. Data from the paying accounting office (266th TFC) and feeder report data from HQ USEUCOM elements serviced by other paying offices are reported in the CSCFA-218, Status of Approved Resources Report. Again, bad data like wrong EOR or incorrect AMSCO are perpetuated.

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N-4. CMOD Pay System Input - Other Than 266th TFC.

Employees assigned to a HQ USEUCOM field activity but paid by other than the 266th TFC (e.g., Air Force, Navy, and FSNs by State Department) get counted through procedures called transactions for others/transactions by others (TFO/TBO transactions). This situation requires joint cooperation of the paying accounting office, affected HQ USEUCOM funded field activities, and 266th TFC to ensure that essential CMOD reporting information is exchanged. When processing transactions for others, the accounting office is required to include the number of actual active pay accounts and work-months (or work-hours) as supporting documentation for the TFO/TBO payroll disbursement voucher.

N-5. HQ DA CMOD Analysis Procedures.

a. Computation of Work-years. Work-years are derived from cumulative work-hours reported in the pay systems. These work-hours are converted to work-months using a formula in STANFINS. Work-months are converted to work-years in CMOD simply by dividing by twelve. The checking of work-years by the HQ DA Budget Office is more difficult since there are no specific "controls" to check against. Therefore, "sanity checks" are used to determine the reasonableness of reported work-years based on the adjusted active pay accounts and work-years reflected in the most recent PBG. For example, HQ USEUCOM work-years in the year-end report should approximate the adjusted active pay accounts and the work-years reflected in the PBG. Inconsistencies require reconciliation with HQ DA (e.g., active pay accounts with zero work-years) to adjust CMOD work-years.

b. Computation of Costing Factors. Factors used in costing direct hire civilian manpower are derived from the following: Work-years, Basic Compensation, Overtime Pay, Holiday Pay, Other Compensation, Basic Benefits, Former Employee Compensation, and Severance Pay or Foreign National Separation Allowance (FNSA).

(1) For each AMSCO and civilian type an average yearly salary is calculated by dividing basic compensation by work-years associated with that basic compensation (overtime compensation is not included in this calculation). Percentages for each of the other factors are calculated based on

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relationship to basic compensation. For example, overtime pay percentage is calculated by dividing overtime pay dollars by the basic compensation dollars.

(2) The factors used in costing indirect hire foreign national civilian manpower are derived from total compensation less severance pay and FNSA. For each AMSCO and civilian type an average yearly salary is calculated by dividing the total compensation by work-years. Severance pay is calculated as a percentage of total compensation dollars.

c. Use of Cost Factors. The cost factors developed from CMOD execution data are applied to baseline work-years developed for HQ USEUCOM by AMSCO and civilian type. The approved work-years are multiplied by the average yearly salary to arrive at the estimated basic compensation for the budget. The percentages for the other costing factors are applied to the basic compensation to arrive at the estimated costs for overtime pay, basic benefits, etc. The result of this process is the total costing of the authorized civilian work-force for the budget and program years as reflected in HQ USEUCOM's PBG. Dollars associated with the civilian manpower in HQ USEUCOM's PBG (OMA funded programs) and Funding Authorization Document (FAD) are based on the costed work-years submitted by HQ USEUCOM.

N-6. HQ USEUCOM Activity Responsibilities.

a. Validate SF 50 data. Each HQ USEUCOM Activity is responsible for ensuring that the SF 50 contains the correct data to include AMSCO, APC, and EOR. Make sure EOR and Type Position Code match the actual person hired. For example, SF 52 may cite the EOR for U.S. civilian (basic compensation) when the actual person hired and reflected in SF 50 is a U.S. Family Member Overseas. Payroll data reported by the 266th TFC will not match the EOR obligation data of reporting HQ USEUCOM Activity.

b. Report Errors. Notify the servicing payroll office or other appropriate office when errors are detected. For example, civilian pay charged to the wrong AMSCO can be fixed in the payroll system only by processing a SF 52 change action to correct the AMSCO. The problem will not go away unless this is done.

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c. Report CMOD Data in Feeder Reports. Ensure civilian payroll obligations (U.S. civilians and all FSNs), work-hours, and end strength are included in feeder reports when the paying office is other than the 266th TFC.

d. Avoid Common Errors. Do not report civilian manpower that is exempt from employment ceilings (i.e., Summer Youth, Youth Stay-In School, or Other Special Opportunity Programs). Do not report work-hours without associated obligations (feeder reports).

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APPENDIX O

Accounting Classification - Elements of Resource

O-1. Source of the EOR and coding instructions are contained in DFAS-IN Pam 37-100-XX. Detail explanation and expanded coverage of EORs is found in referenced regulation which is updated each year.

O-2. Source of the EOR and coding instructions for SA is DFAS-DE/I accounting pamphlet, Appendix C, dated 18 September 1995.

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